

Infomerics Analytics & Research

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Blending
Nature and
Science:
Nutraceuticals
and Ayurveda
Industry

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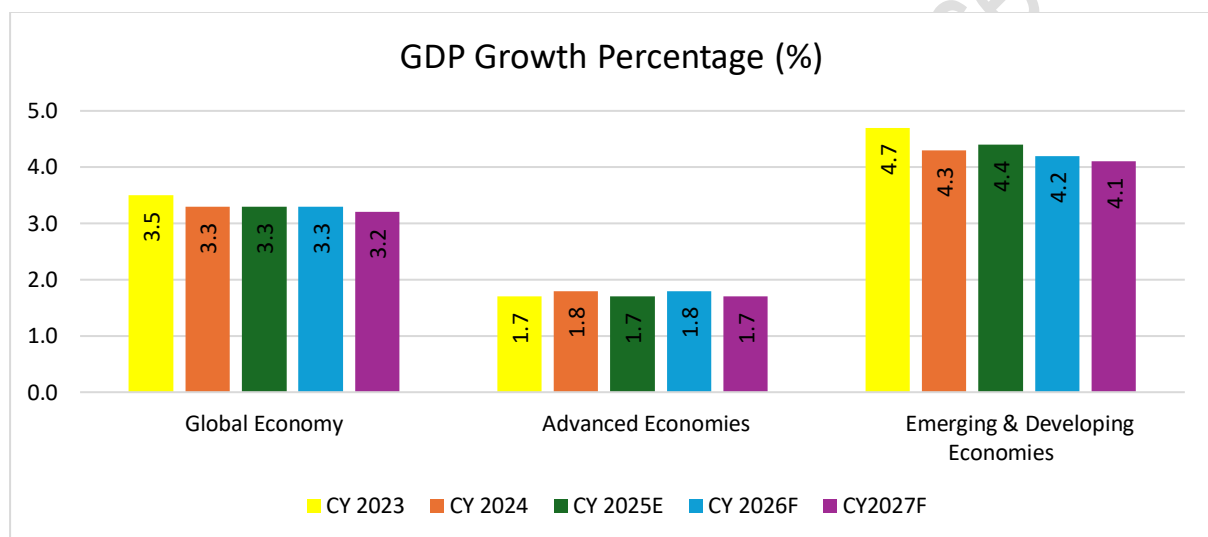
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1. Economic Outlook

As per the IMF’s World Economic Outlook (WEO) published in January 2026, global growth is projected to remain resilient at 3.3 percent in 2026 and at 3.2 percent in 2027.

Global headline inflation is expected to decline from an estimated 4.1 percent in 2025 to 3.8 percent in 2026 and further to 3.4 percent in 2027. The inflation projections are also broadly unchanged from those in October and envisage inflation returning to target more gradually in the United States than in other large economies.



Note: E = Estimates, F = Forecast

Source: IMF World Economic Outlook January 2026

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

Growth in advanced economies is projected to be 1.8 percent in 2026 and 1.7 percent in 2027. In the United States, the economy is projected to expand by 2.4 percent in 2026, supported by fiscal policy and a lower policy rate, while the impact of higher trade barriers also gradually wanes. This 0.3 percentage point upward revision from the October forecast reflects a stronger-than expected GDP outturn in the third quarter of 2025, a rebound in activity in the first quarter of 2026 compared with that in the fourth quarter of 2025 following the end of the federal government shutdown, and the associated carryover.

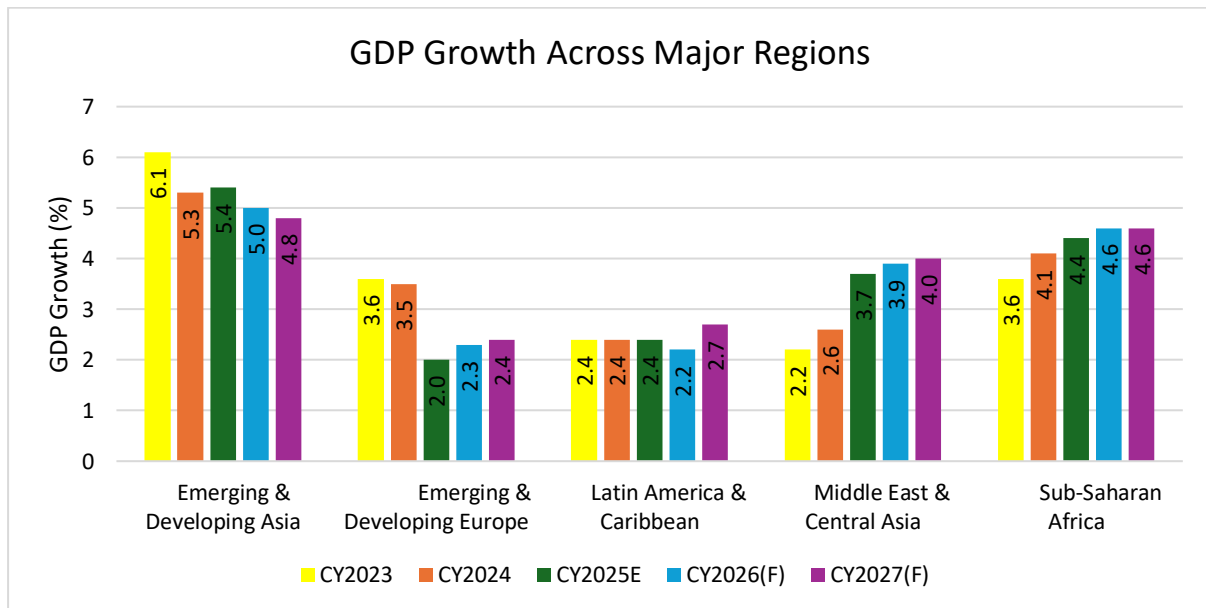
In emerging market and developing economies, growth is expected to continue to hover just above 4.0 percent in 2026 and 2027. Relative to the projection in October, growth in 2025 for China is revised upward by 0.2 percentage point to 5.0 percent. The revision reflects stimulus measures and additional policy bank lending for investment. Growth for 2026 is also revised upward by 0.3 percentage point to 4.5 percent, reflecting the lower US effective tariff rates on Chinese goods due to the yearlong trade truce agreed to in November and stimulus measures that are assumed to be implemented over two years. The economy's growth rate is expected to decelerate to 4.0 percent in 2027 as structural headwinds assert themselves.

In India, growth is revised upward by 0.7 percentage point to 7.3 percent for 2025, reflecting the better-than expected outturn in the third quarter of the year and strong momentum in the fourth quarter. Growth is projected to moderate to 6.4 percent in 2026 and 2027 as cyclical and temporary factors wane.

In the Middle East and Central Asia, growth is projected to accelerate from 3.7 percent in 2025 to 3.9 percent in 2026 and to 4.0 percent in 2027, supported by higher oil output, resilient local demand, and ongoing reforms. Growth is also expected to accelerate in sub-Saharan Africa, from 4.4 percent in 2025 to 4.6 percent in 2026 and 2027, supported by macroeconomic stabilization and reform efforts in key economies. In Latin America and the Caribbean, growth is projected to moderate to 2.2 percent in 2026 and bounce to 2.7 percent in 2027 as countries in the region approach potential from different cyclical positions. In emerging and developing Europe, a sharp slowdown in 2025 to a growth rate of 2.0 percent is expected to reverse, with economies in the region expanding at an average rate of 2.3 percent in 2026 and 2.4 percent in 2027. In most regions, the rebound also reflects the fading effect of shifting trade policies.

1.1 GDP Growth Across Major Regions

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



Note: E = Estimates, F = Forecast

Source: IMF World Economic Outlook January 2026 update

In Emerging and Developing Asia, growth is projected to moderate from 5.4% in CY 2025 to 5.0% in CY 2026 and further projected at 4.8% during CY 2027. India’s expected growth in 2025 has been uplifted at 7.3% in CY 2025, supported by resilient rural consumption and sustained infrastructure investments, up from 6.5% in CY2024. The growth estimate for 2026 and 2027 is kept at 6.4%. In contrast, China’s growth is estimated at 5.0% in CY2025, and to further decelerate at 4.5% in 2026 and 4.0% in 2027.

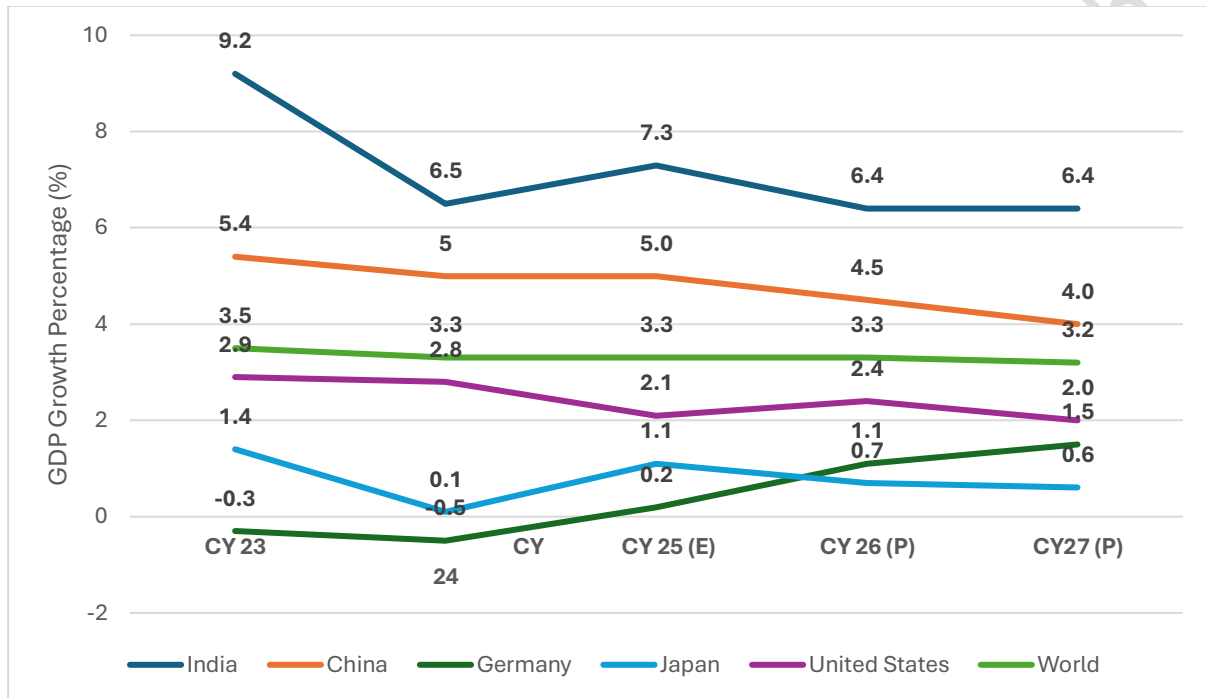
Sub-Saharan Africa is projected to grow at 4.4% in CY 2025, increased from 4.1% in CY 2024, with growth is expected to accelerate further at 4.6% in CY 2026. This gradual improvement is being supported by better weather conditions and more efficient supply chain operations.

In the Middle East and Central Asia, the economy is forecasted to expand from 3.7% in CY 2025 to 3.9% in CY 2026, and further at around 4.0% in CY 2027, driven by stabilization in oil production and ongoing economic reforms.

For Latin America and the Caribbean, the economy is expected to slow from 2.4% in CY 2025, to 2.2% in CY2026, but increase again at 2.7% in CY 2027 reflecting stable yet subdued economic momentum supported by stronger macroeconomic management across key economies.

Emerging and Developing Europe remains subdued, with growth estimated at 2.0% in CY 2025, down from 3.5% in CY 2024, expected to rise modestly to 2.3% in CY 2026 and further at 2.4% in 2027. However, the recent Greenland issue and tariff imposition by the US President has posed fresh challenges for the region. The region continues to face structural manufacturing challenges, particularly in major economies like Germany.

India and Top 4 Global Economies GDP Growth Forecast



Note: E = Estimates, P = Projections

Source: IMF World Economic Outlook January 2026 update

Overall, while global growth is expected to remain steady at 3.3% in CY 2025~CY2026 and at 3.2% in CY2027, regional disparities persist, influenced by a combination of domestic challenges, external geopolitical tensions, and fluctuating commodity prices.

2. India's Macroeconomic Scenario

2.1 Gross Domestic Product (GDP)

According to the latest Second Advance Estimates by MOSPI, GOI (27 Feb26), after replacing old base year 2011-12 by the new base year 2022–23, real GDP has been estimated to grow by 7.6% in FY 2025-26. Nominal GDP has witnessed a growth of 8.6%. These growth rates are revised upward from their respective First Advance Estimates computed using previous Base Year (2011-12).

India's Economic Growth Momentum Remains Strong - Surpassed USD 4 Trillion.

In June 2025, India became the fourth-largest economy in the world and retained its position as the fastest-growing major economy. The country is projected to become the world's third largest economy by 2030, with an estimated GDP of USD 7.3 trillion.

Source: PIB, Press Release - India Becoming an Economic Powerhouse posted on June 16, 2025

India achieved a significant milestone by overtaking Japan to become the *third most powerful nation in the Asia-Pacific region*, as per the Asia Power Index 2024. India's overall score rose to 39.1, reflecting a 2.8-point increase from the previous year, driven by growing influence across economic, military, and diplomatic dimensions.

Source: PIB, Press Release - India becomes 3rd Most Powerful Nation in Asia, Surpasses Japan in Asia Power Index posted on September 24, 2024

Key factors behind India's rise include its strong economic performance, expanding and youthful workforce, and increasing strategic engagement across the region. India's Economic Capability improved significantly, supported by its position as the world's third-largest economy in terms of purchasing power parity (PPP). Additionally, a notable increase in its Future Resources score highlights the demographic advantage that is expected to sustain its growth trajectory in the coming years.

2.2 Gross Value Added (GVA)

According to the Second Advance Estimate of GDP for 2025-26 by MOSPI, Govt. of India (GoI), Real GVA is estimated at INR 294.40 lakh crore in the year 2025-26, against INR 273.36 lakh crore in FY 2024-25, registering a growth rate of 7.7% as compared to 7.3% growth rate in 2024-25. Nominal GVA is estimated to attain a level of INR 313.61 lakh crore during FY 2025-26, against INR 288.54 lakh crore in 2024-25, showing a growth rate of 8.7%. (MOSPI, Press Release, 27 February 2026)

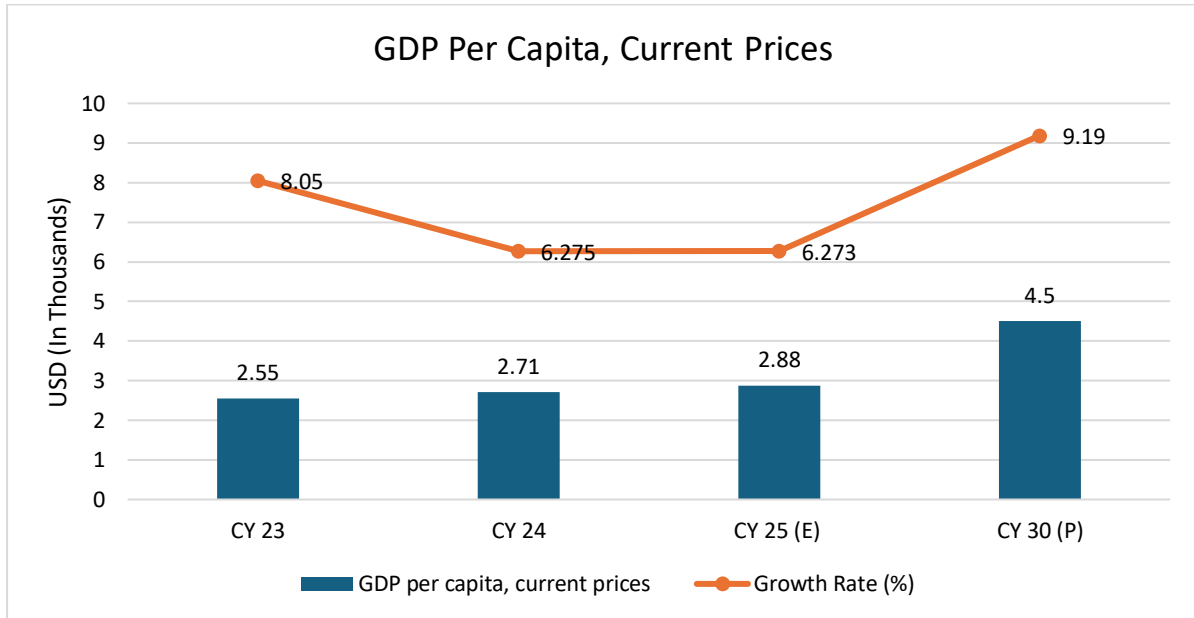
Major Highlights:

- Real GDP has been estimated to grow by 7.6% in FY 2025-26. Nominal GDP has witnessed a growth of 8.6%. These growth rates are revised upward from their respective First Advance Estimates computed using previous Base Year (2011-12).
- Overall Economic performance in FY 2025-26 is primarily on account of robust Real growth observed in Second Quarter (8.4%) and Third Quarter (7.8%).
- The Economy has exhibited sustained performance, recording Real GDP growth rates of 7.2% and 7.1% respectively during FY 2023–24 and FY 2024–25.
- Nominal GDP has registered 11.0% and 9.7% growth rates during FY 2023–24 and FY 2024–25 respectively.
- Manufacturing sector has been the major driver in contributing to the resilient performance of the economy in consecutive 3 financial years after rebasing. This sector has attained double digit growth rates in FY 2023-24 and FY 2025-26.
- Secondary and Tertiary sectors have boosted the performance of the economy by registering above 9.0% growth rate in FY 2025-26.
- 'Trade, Repair, Hotels, Transport, Communication & Services related to Broadcasting, Storage' sector has attained a growth rate of 10.1% at Constant Prices in FY 2025-26.
- On the Consumption side, both the Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) have exhibited more than 7.0% growth rate in FY 2025-26.

Source: MOSPI, Press Release, 27 February 2026, Govt. of India (GoI).

2.3 India Per Capita GDP Forecast

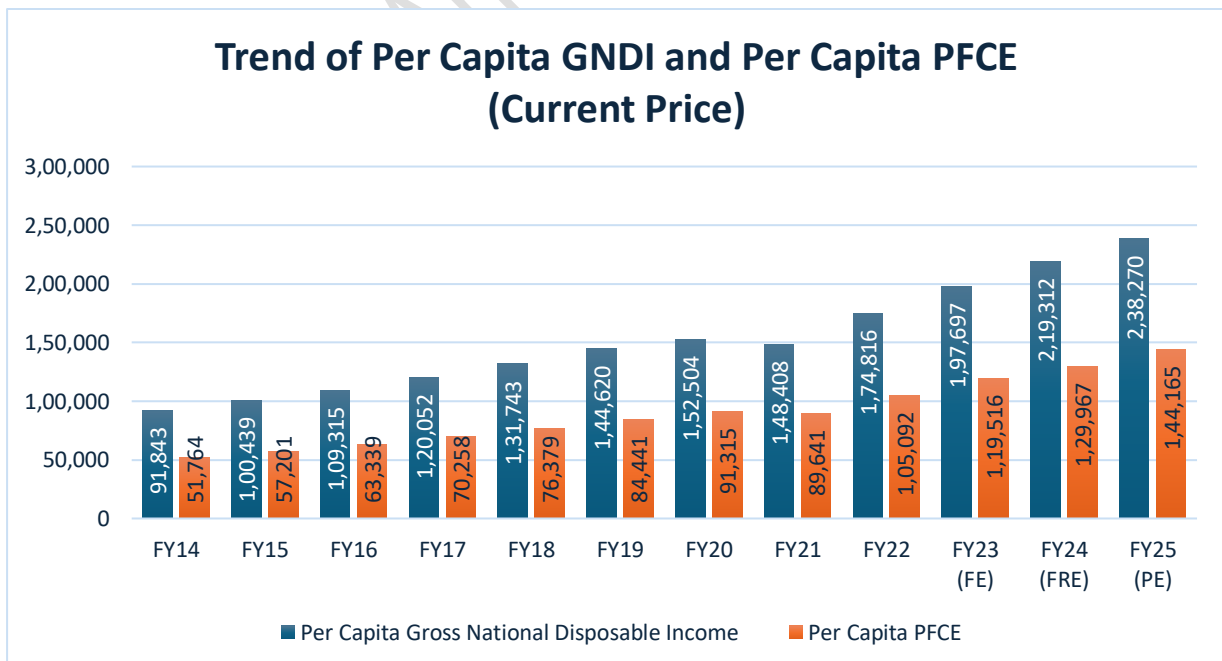
Per capita GDP growth for India is estimated at 9.19 % CAGR between CY2025-CY2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.



Note: E = Estimated, P = Projected

Source: IMF Data Mapper, World Economic Outlook April 2025, India, GDP Per Capita

2.4 Disposable Income and Consumer Spending



Note: Data mentioned is in INR, FE – Final Estimates, FRE – First Revised Estimates, PE – Provisional Estimate

Source: PIB, *Provisional estimates of GDP 2024-25 released on May 30th, 2025*

Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. In FY24, Per capita GNDI grew by 10.9%, followed by a moderate growth of 8.6% in FY25. This steady increase indicates that households and businesses had more income at their disposal, which is critical for supporting both consumption and savings—key components of economic resilience and expansion.

The rise in income levels has translated into increased consumer spending, as seen in the growth of Private Final Consumption Expenditure (PFCE), which grew by 8.7% in FY24 and further accelerated to 10.9% in FY25. Strong consumption demand typically drives higher retail lending (such as personal loans, home loans, and auto loans), thereby supporting credit growth for banks.

Simultaneously, higher disposable income improves household savings, leading to greater deposit inflows into the banking system. This strengthens banks' liability base (CASA deposits), improves liquidity, and enables further credit expansion. Additionally, rising income levels generally enhance borrowers' repayment capacity, contributing to better asset quality and lower NPAs.

Overall, the upward trend in disposable income and consumption not only reflects economic resilience but also acts as a key structural driver for deposit growth, retail credit expansion, and overall profitability in the banking sector.

2.5 Household Financial Savings

Year	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25*
Gross household financial savings (as per cent of GDP)	15.4%	11.1%	10.9%	11.4%	10.8%

* Preliminary estimates as per RBI Bulletin, August 2025, Occasional Series Table 50(a)

Source: MoSPI and RBI

Household financial savings in India have moderated significantly over the past five years, declining from 15.4% of GDP in FY2020-21 to 10.8% in FY2024-25 (P). The elevated levels in FY2020-21 were largely driven by precautionary savings during the pandemic; however, with normalization of economic activity, savings have stabilized at lower levels. This moderation has important implications for the banking sector, as household savings constitute the primary source of bank deposits, particularly low-cost CASA deposits. A sustained decline in savings may lead to slower deposit growth, increased competition for retail deposits, and upward pressure on deposit rates, thereby impacting banks' cost of funds and Net Interest Margins (NIMs). Additionally, lower savings may gradually reduce the share of stable, granular

deposits, prompting banks to rely more on term deposits or wholesale funding, which could affect overall balance sheet efficiency.

2.6 Household Financial Liabilities

Year	FY2020- 21	FY2021- 22	FY2022- 23	FY2023- 24	FY2024- 25*
Household financial liabilities (INR lakh crore)	7.4	9.0	16.0	18.8	15.7
Household financial liabilities (as per cent of GDP)	3.7%	3.8%	5.9%	6.2%	4.7%

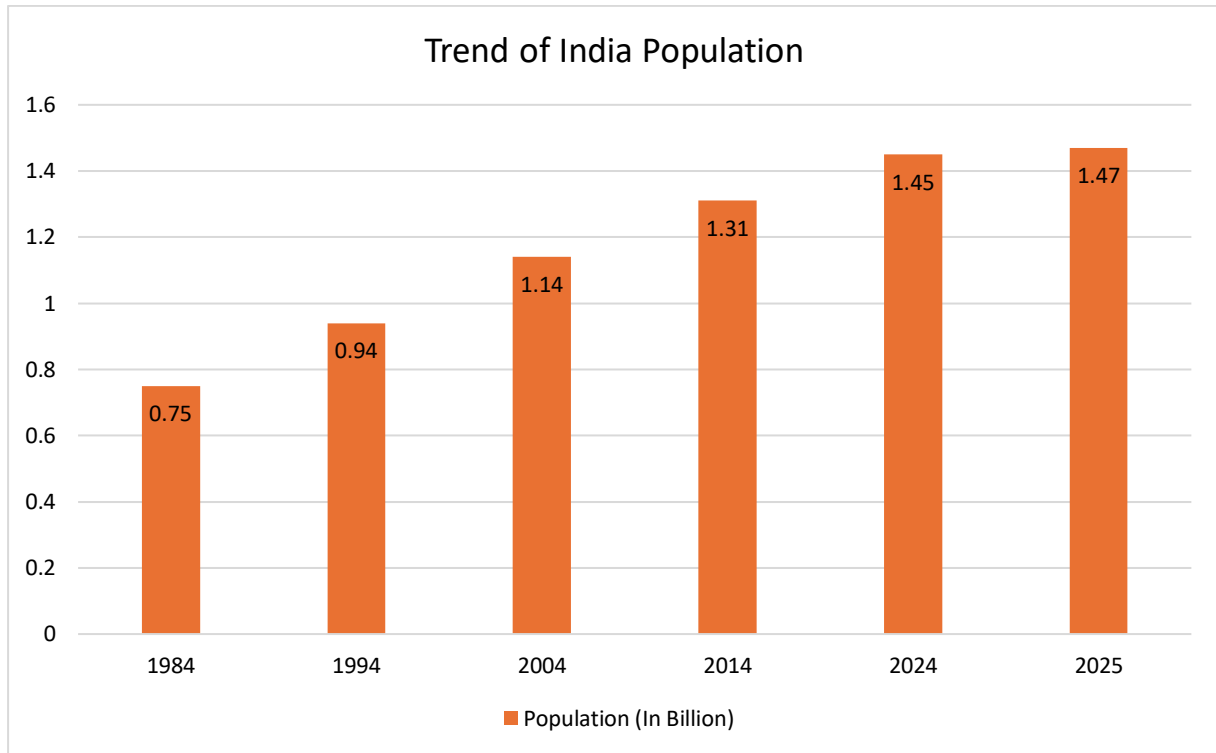
* Preliminary estimates as per RBI Bulletin, August 2025, Occasional Series Table 50(a)

Source: MoSPI and RBI

In contrast, household financial liabilities have shown a rising trend, reflecting increased credit uptake by households. The liabilities-to-GDP ratio has increased from 3.7% in FY2020-21 to higher levels in subsequent years, peaking around ~6.2% in FY2023-24 before moderating to ~4.7% in FY2024-25 (P). This trend supports robust growth in retail lending segments such as housing, personal loans, and consumer credit, thereby driving banks' asset-side expansion and interest income. However, the divergence between rising credit demand and relatively slower deposit growth may lead to higher credit-deposit ratios and tighter liquidity conditions. Further, increasing household leverage, particularly in unsecured segments, may pose asset quality risks under stressed conditions, although current macroeconomic indicators remain supportive.

2.7 Overview on Key Demographic Parameters

2.7.1 Population growth



Source: World Bank Database, Infomerics Analytics & Research

India's economic trajectory is closely linked to its demographic expansion, with the population increasing from approximately 0.75 billion in 1984 to 1.45 billion in 2024, and further to around 1.47 billion in 2025, making it the world's most populous nation. This growth supports a large labour force and rising consumption demand, strengthening long-term economic potential.

For the banking sector, this translates into a structural expansion in customer base, driving higher financial inclusion, account penetration, and deposit mobilization. At the same time, a growing and increasingly aspirational population fuels demand for retail credit, including housing, personal, and consumption loans, supporting loan book growth.

Overall, population growth acts as a long-term growth driver for banks, supporting both deposit accretion and credit expansion, while also creating opportunities for cross-selling financial products.

2.8 Union Budget FY26-27 Highlights

The Union Budget FY 2026–27, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure, and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation, and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**

In FY2026-27, the Union Budget has increased the public capex towards to INR 12.2 lakh crore from the previous INR 11.21 lakh crore (3.1% of GDP) which was earmarked in FY 2025–26. To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, the budget proposed to set up an Infrastructure Risk Guarantee Fund to provide prudently calibrated partial credit guarantees to lenders.

- **Support for MSMEs**

Recognizing the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduced a three-pronged approach to support the sector. The budget introduced a dedicated INR 10,000 crore SME Growth Fund as well as proposed to top up the Self-Reliant India Fund set up in 2021, with INR 2,000 crore to continue support to micro enterprises and maintain their access to risk capital. With TReDS, more than INR 7 lakh crore has been made available to MSMEs. To leverage its full potential, the budget further proposed four measures: (i) mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates; (ii) introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on TReDS platform; (iii) link GeM with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing; (iv) introduce TReDS receivables as asset-backed securities, helping develop a secondary market, enhancing liquidity and settlement of transactions. Moreover, Government will facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of 'Corporate Mitras', especially in Tier-II and Tier-III towns, which will help MSMEs meet compliance requirements at affordable costs.

- **Establishment of dedicated Rare Earth Corridors**

A Scheme for Rare Earth Permanent Magnets was launched in November 2025. In line with that, the budget proposed to support the mineral-rich States of Odisha, Kerala, Andhra Pradesh and Tamil Nadu to establish dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.

- **Integrated Programme for the Textile Sector**

The following Schemes have been announced:

- (a) The National Fibre Scheme for self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres.
- (b) Textile Expansion and Employment Scheme to modernise traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres.
- (c) A National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans.
- (d) Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels.
- (e) Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions.

- **Carbon Capture Utilization and Storage (CCUS)**

Aligning with the roadmap launched in December 2025, CCUS technologies at scale will achieve higher readiness levels in end-use applications across five industrial sectors, including, power, steel, cement, refineries and chemicals. An outlay of INR 20,000 crore is proposed over the next 5 years.

- **Municipal Bonds**

To encourage the issuance of municipal bonds of higher value by large cities, the budget proposed an incentive of INR 100 crore for a single bond issuance 10 of more than INR 1000 crore. The current scheme under AMRUT which incentivises issuances up to INR 200 crore, will also continue to support smaller and medium towns.

- **Ease of Doing Business**

Individual Persons Resident Outside India (PROI) will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme. It is also proposed to increase the investment limit for an individual PROI under this scheme from 5% to 10%, with an overall investment limit for all individual PROIs to 24%, from the current 10%.

- **Hubs for Medical Value Tourism**

To promote India as a hub for medical tourism services, the budget proposed to launch a Scheme to support States in establishing five Regional Medical Hubs, in partnership with the private sector. These Hubs will serve as integrated healthcare complexes that combine medical, educational and research facilities. They will have AYUSH Centres, Medical Value Tourism Facilitation Centres and infrastructure for diagnostics, post-care and rehabilitation. These Hubs will provide diverse job opportunities for health professionals including doctors and AHPs.

- **Agriculture Related Schemes**

To diversify farm outputs, increase productivity, enhance farmers' incomes, and create new employment opportunities, the budget announced support schemes related to high value crops such as coconut, sandalwood, cocoa and cashew in coastal areas. Agar trees in Northeast and nuts such as, almonds, walnuts and pine nuts in hilly regions will also be supported. India is the world's largest producer of coconuts.

About 30 million people, including nearly 10 million farmers, depend on coconuts for their livelihood. To further enhance competitiveness in coconut production, the Budget proposed a Coconut Promotion Scheme to increase production and enhance productivity through various interventions including replacing old and non-productive trees with new saplings/plants/varieties in major coconut growing States. A dedicated programme is proposed for Indian cashew and cocoa to make India self-reliant in raw cashew and cocoa production and processing, enhance export competitiveness and transform Indian Cashew and Indian Cocoa into premium global brands by 2030.

Further, the Central Government will partner with State Governments to promote focused cultivation and post-harvest processing to restore the glory of the Indian Sandalwood ecosystem. To rejuvenate old, low-yielding orchards and expand high-density cultivation of walnuts, almonds and pine nuts, the budget announced to support a dedicated programme to enhance farmer incomes and in bringing value addition by engaging youth.

The Union Budget FY 2026–27 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs, and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

2.9 Concluding Remarks

The major headwinds to global economic growth remain significant, with escalating geopolitical tensions involving the United States, Israel, and Iran, volatile global commodity prices, disruptions in global trade flows, inflationary pressures, and tightening financial conditions. These geopolitical developments have adversely impacted global supply chains, leading to a decline in import and export activity, particularly across energy-dependent regions. These disruptions have triggered a sharp rise in energy prices, with crude oil prices increasing by approximately 27% between late February and early March 2026, alongside a surge in freight costs, bunker fuel prices, and insurance premiums. The increase in energy and transportation costs has had a cascading effect on global inflation, particularly food prices, as higher fuel and fertilizer costs elevate agricultural production and distribution expenses. . Despite these challenges, the global economy remains relatively resilient, with growth projected at 3.3% in 2026 and inflation expected to moderate to 3.8%, as per the International Monetary Fund.

India's economy remains relatively well-positioned amid these global uncertainties, supported by strong macroeconomic fundamentals. As per the Ministry of Statistics and Programme Implementation, India's GDP is estimated to grow at 7.6% in FY 2025–26, maintaining its status as one of the fastest-growing major economies globally. Inflation, as measured by the Consumer Price Index (CPI), remains contained at 2.75% in January 2026 under the revised base year, although rising global oil prices and supply disruptions may pose upside risks going forward. Key growth drivers for the Indian economy include strong domestic demand, rising disposable incomes, and continued government focus on infrastructure development and policy support.

Public investment is expected to play a crucial role in sustaining economic momentum, with the Union Budget FY 2026–27 increasing capital expenditure to INR 12.21 lakh crore from INR 11.21 lakh crore in the previous year. The proposed Infrastructure Risk Guarantee Fund is aimed at enhancing private sector participation by mitigating risks associated with infrastructure development. These measures are likely to crowd in private investment, strengthen infrastructure capacity, and support long-term economic growth.

Overall, while global headwinds such as geopolitical tensions, trade disruptions, and rising energy and food prices present near-term challenges, India's strong domestic growth drivers, proactive policy measures, and continued focus on investment-led growth are expected to support economic resilience. Strengthening supply chains, maintaining inflation stability, and sustaining infrastructure investments will be critical for navigating external uncertainties and ensuring stable long-term growth.

3. Industry Overview

The Ayurvedic Formulations and Nutraceuticals Industry is a specialised segment within India's pharmaceutical and wellness ecosystem, covering the manufacture of Ayurvedic, herbal, and dietary supplements under NIC divisions for pharmaceuticals, AYUSH products, and food preparations. It focuses on developing and commercialising condition-oriented formulations combining botanicals, minerals, vitamins, amino acids, fatty acids, and probiotics, delivered in tablets, capsules, softgels, syrups, powders, oils, and medicated ghee.

The product range includes classical Ayurvedic preparations (ghritas, tailas, guggulus, churna-based formulations) and modern nutraceutical combinations for fertility, bone and joint health, metabolic and cardiovascular support, renal and urinary health, neurocognitive development, maternal nutrition, and general wellness. These products are primarily positioned for prescription-adjacent use by medical practitioners, AYUSH doctors, and nutritionists, as well as OTC consumption under professional guidance, distinguishing them from mass-market wellness supplements that are largely driven by discretionary consumer spending, branding, and lifestyle trends.

Demand in the practitioner-led nutraceutical and Ayurvedic segment is relatively less price-elastic and more condition-linked, influenced by clinical relevance, formulation credibility, and practitioner confidence rather than promotional intensity. Institutional prescriptions, repeat usage for chronic conditions, and long-duration treatment protocols contribute to steadier demand patterns compared to mass-market wellness products, which are more sensitive to consumer sentiment and seasonal health trends.

Ayurvedic and nutraceutical products support preventive care, chronic disease co-management, and post-treatment recovery, complementing allopathic therapies in areas such as osteoporosis, arthritis, infertility, anemia, renal calculi, lifestyle-related metabolic disorders, and pediatric development. Industry trends include condition-specific formulations, clinical validation, and the integration of evidence-backed actives such as CoQ10, omega-3 fatty acids, probiotics, and standardized herbal extracts with traditional Ayurvedic principles.

Manufacturing increasingly relies on WHO-GMP / WHO-cGMP facilities, ISO 9001:2015 systems, and Schedule M-aligned processes to ensure product safety, consistency, and regulatory compliance. Standardised raw materials, in-process controls, stability testing, and validated packaging support shelf-life, bioavailability, and market readiness, enabling domestic licensing as well as export opportunities.

As healthcare shifts toward holistic wellness and long-term management of lifestyle diseases, the industry plays a central role in national health programmes, institutional medical practice, and practitioner-guided self-care. Scalable, evidence-aligned, and compliant products reinforce India's position as a global hub for traditional medicine-based wellness solutions, while addressing domestic demand for preventive and adjunct healthcare interventions.

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Market segmentation for Ayurvedic and Nutraceuticals Industry

The Ayurvedic and Nutraceuticals Industry in India covers classical AYUSH formulations, herbal products, and condition-specific dietary supplements. Serving preventive, chronic, and wellness needs, the sector caters to prescription-linked patients, lifestyle consumers, and institutional clients through multiple dosage forms, channels, and geographies. The following table outlines key market segments across products, end-users, channels, and therapy applications.

By Product Type:

Category	Sub-Category / Segment	Description / Insights
Ayurvedic Classical Formulations	Ghritas, Tailas, Guggulu, Asava–Arishta, Churna, Vati	Traditional poly-herbal preparations codified in classical texts, used by AYUSH practitioners for chronic, systemic, and rasayana therapies; typically, prescription-led and sold through Ayurvedic pharmacies.
Modern Nutraceuticals	Condition-Specific Supplements (Fertility, Bone & Joint, Cardio-Metabolic, Renal, Neurocognitive)	Evidence-oriented combinations of botanicals, vitamins, minerals, amino acids, fatty acids, and probiotics positioned as adjuncts or preventive care; marketed via doctors, dietitians, and pharmacies.
General Wellness & Daily Nutrition	Multivitamins, Protein Supplements, Immunity Boosters	Mass-market products for energy, immunity, convalescence, and lifestyle support, catering to OTC, retail, and e-commerce channels; often flavor- and format-innovated (powders, effervescent, gummies).
Specialty Herbal Extracts & Single-Ingredient Products	Ashwagandha, Curcumin, Omega-3, Probiotics, Collagen, Plant Extract Capsules	High-purity, standardized actives targeting specific benefits (stress, inflammation, gut health, skin, cognition); strong traction in premium urban and export markets.
Pediatric & Geriatric Nutrition	Pediatric Syrups, DHA & Cognitive Support, Senior Nutrition Formulas	Age-tailored nutraceuticals addressing growth, learning, immunity, sarcopenia, and bone health, often recommended by pediatricians and geriatric/orthopedic specialists.

Topical & External Applications	Medicated Oils, Balms, Ointments, Cosmeceuticals	Ayurvedic tailas, liniments, and herbal skin/hair products for pain relief, dermatoses, and cosmetic wellness; bridge between personal care and therapeutic categories.
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By End-User / Consumer Segment:

Category	Sub-Category / Segment	Description / Insights
Prescription-Linked Patients	Specialist-Prescribed Adjuncts (Gynecology, Orthopedics, Nephrology, Diabetology, Pediatrics)	Patients receiving Ayurvedic or allopathic care and prescribed nutraceuticals for infertility, osteoporosis, renal calculi, neuropathy, anemia, growth, and cognition; high adherence when routed through hospitals and clinics.
AYUSH Therapy Seekers	Ayurvedic OPD/IPD Patients, Panchakarma Clients	Consumers opting for classical formulations under Vaidya supervision for chronic, lifestyle, and autoimmune conditions; strong presence in South and West India AYUSH institutions.
Preventive & Lifestyle Consumers	Urban Wellness, Fitness & Corporate Health Users	Health-aware individuals using supplements for immunity, cardio-metabolic health, weight management, stress, and sleep; significant online and modern-trade contribution.
Maternal & Child Health Segment	Pregnant/Lactating Women, Children & Adolescents	Users of iron-folate, calcium, protein, DHA, and growth-support products as part of obstetric and pediatric care protocols; often driven by doctor/nutritionist recommendation.
Elderly & Chronic Disease Cohort	Seniors with Bone, Joint, Cardio-Metabolic & Cognitive Needs	Regular consumers of joint-health, cardiac, neuro-support, and multivitamin formulations aimed at maintaining quality of life and reducing morbidity.

By Channel & Customer Type

Category	Sub-Category / Segment	Description / Insights
Doctor-Led & Pharmacy Channel	Prescription-adjacent sales via clinics, hospitals, retail pharmacies	Dominant channel for condition-specific nutraceuticals and classical Ayurvedic medicines; supported by medical representative engagement and clinician education. Prescription-linked recommendations are associated with higher adherence, therapy continuity, and repeat consumption compared to consumer-initiated OTC purchases.
AYUSH Clinics & Hospitals	Government & private Ayurvedic centres, Panchakarma clinics	Primary outlet for classical ghritas, tailas, and guggulu formulations; consumption is guided by AYUSH practitioner protocols, defined treatment durations, and follow-up consultations, contributing to relatively stable and repeat demand patterns for core Ayurvedic SKUs.
Modern Trade & E-Commerce	Supermarkets, wellness chains, online marketplaces, D2C	Fast-growing route for OTC nutraceuticals, single-ingredient botanicals, protein powders, and lifestyle supplements. Demand is largely consumer-initiated and supported by brand-led, digital, and influencer marketing, and typically exhibits higher trial-led purchases and product switching relative to clinician-guided channels.
Institutional & B2B Customers	Corporate hospitals, fertility & IVF centres, orthopedic & dialysis chains, corporate wellness programs	Bulk and protocol-driven demand for specific SKUs (fertility, bone health, renal, anaemia) and customised packs; characterised by defined usage protocols, repeat procurement cycles, and stringent quality, documentation, and pricing requirements.
Contract Manufacturing & Private Label	Domestic & export brand owners, retail chains	Ayurvedic and nutraceutical manufacturing on OEM/white-label basis, leveraging WHO-GMP/ISO facilities; supports capacity utilisation, diversifies customer exposure, and

		provides long-term volume visibility for mid-sized manufacturing platforms.
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By Geography

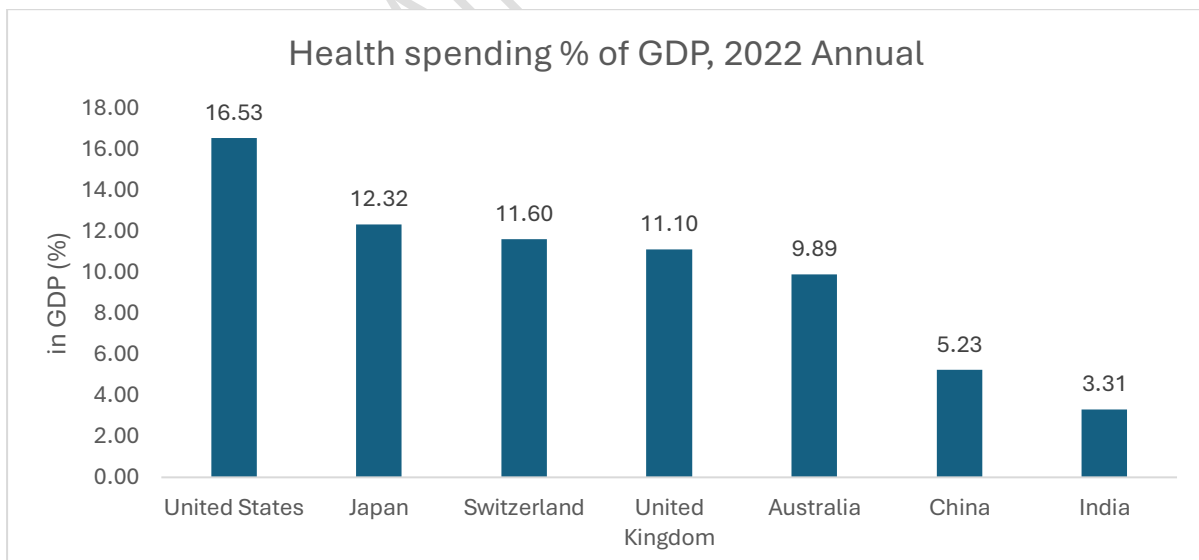
Category	Sub-Category / Segment	Description / Insights
Metropolitan & Tier-1 Cities	NCR, Mumbai–Pune, Bengaluru, Hyderabad, Chennai, Kolkata	High penetration of specialty nutraceuticals, premium Ayurveda, and e-commerce-driven wellness products; strong presence of corporate hospitals and organized retail.
Tier-2 / Tier-3 & Semi-Urban Markets	District HQs and growing towns across South, West & North India	Expanding consumption of doctor-led nutraceuticals and classical Ayurvedic products through local pharmacies and AYUSH practitioners, aided by rising incomes and health awareness.
Rural & Small-Town India	Village Pharmacies, Government Health Systems, Traditional Practitioners	Demand centered on low-cost Ayurvedic formulations, iron–calcium supplements, and immunity products, often supplied via government programmes and local chemists.
Export Markets	South Asia, Middle East, Africa, Developed NRI-Focused Channels	Growing opportunity for herbal extracts, standardized nutraceuticals, and classical formulations from WHO-GMP/ISO plants, subject to FSSAI/AYUSH and importing-country regulations.

3. Industry Overview

The nutraceuticals and Ayurvedic industry forms an important segment of the broader healthcare and wellness ecosystem, encompassing dietary supplements, functional foods, herbal formulations, and traditional medicinal products positioned across preventive, adjunct, and wellness-oriented care. The industry draws on a combination of modern nutritional science and established traditional medicine systems, particularly Ayurveda, to address long-term health maintenance, lifestyle-related conditions, and supportive therapy alongside conventional medical treatment. Demand for these products is closely linked to healthcare spending patterns, demographic shifts, and the growing emphasis on prevention and holistic well-being. As part of the regulated healthcare value chain, the industry is characterised by relatively high entry thresholds, driven by capital requirements, technical and formulation expertise, and a stringent regulatory environment, necessitating experience and compliance capabilities.

Global and Regional Healthcare Expenditure

Global healthcare expenditure has increased steadily and now represents a significant share of overall economic activity, accounting for approximately 10 percent of global GDP in recent years. This trend reflects rising healthcare costs, ageing populations, and the increasing prioritisation of health systems worldwide.



Source: OECD; World Bank Open Data

Healthcare spending as a proportion of GDP remains highest in advanced economies. In 2022, the United States allocated around 16.5 percent of GDP to healthcare, compared with 12.3 percent in Japan, 11.6 percent in Switzerland, and 11.1 percent in the United Kingdom, while

Australia's health expenditure was just under 10 percent. In contrast, major emerging economies continue to spend a lower, though gradually increasing, share of national income on healthcare, with China at approximately 5.2 percent of GDP and India at about 3.3 percent, highlighting substantial headroom for long-term expansion.

From a regional perspective, North America and Western Europe account for the largest share of global healthcare spending in absolute terms, supported by comprehensive insurance coverage, ageing demographics, and higher per-capita healthcare costs. Healthcare expenditure in Asia-Pacific is expanding rapidly from a lower base as countries such as China and India scale public health programmes and private insurance penetration. Latin America, the Middle East, and Africa are also increasing healthcare allocations, although these regions continue to face higher out-of-pocket expenditure and infrastructure constraints. Collectively, these spending patterns support sustained demand for pharmaceuticals, medical devices, and nutraceuticals, with higher-spending markets typically acting as early adopters of preventive and innovative healthcare solutions.

Overview of the Indian Consumer Healthcare Market

India's consumer healthcare market comprises products and services supporting preventive health, wellness, and non-prescription health management, including traditional medicines, dietary supplements, functional foods, herbal formulations, and over-the-counter wellness products. Market growth is underpinned by rising health awareness, demographic shifts, increasing prevalence of lifestyle-related conditions, and expanding healthcare infrastructure supported by public policy measures.

India's AYUSH sector—encompassing Ayurveda, Yoga & Naturopathy, Unani, Siddha, and Homeopathy—constitutes a significant component of the consumer healthcare ecosystem, with combined manufacturing and service activity valued at over US\$ 50 billion in 2024 (manufacturing US\$ 24 billion, services US\$ 26 billion). The Union Budget for FY26 allocated Rs. 3,992.9 crore to the Ministry of AYUSH, a 14.2% increase from FY25, while AYUSH exports reached Rs. 5,907 crore in FY25, up 5.9% YoY. The AYUSH market is projected to expand from US\$ 43.3 billion in 2024 to US\$ 200 billion by 2030.

Government sector profiling cited by IBEF estimates the Indian nutraceuticals market at USD 30.37 billion in 2024, with a projected CAGR of 13.6% between 2025 and 2030; India's share of global nutraceutical revenue was 9.22% in 2023.

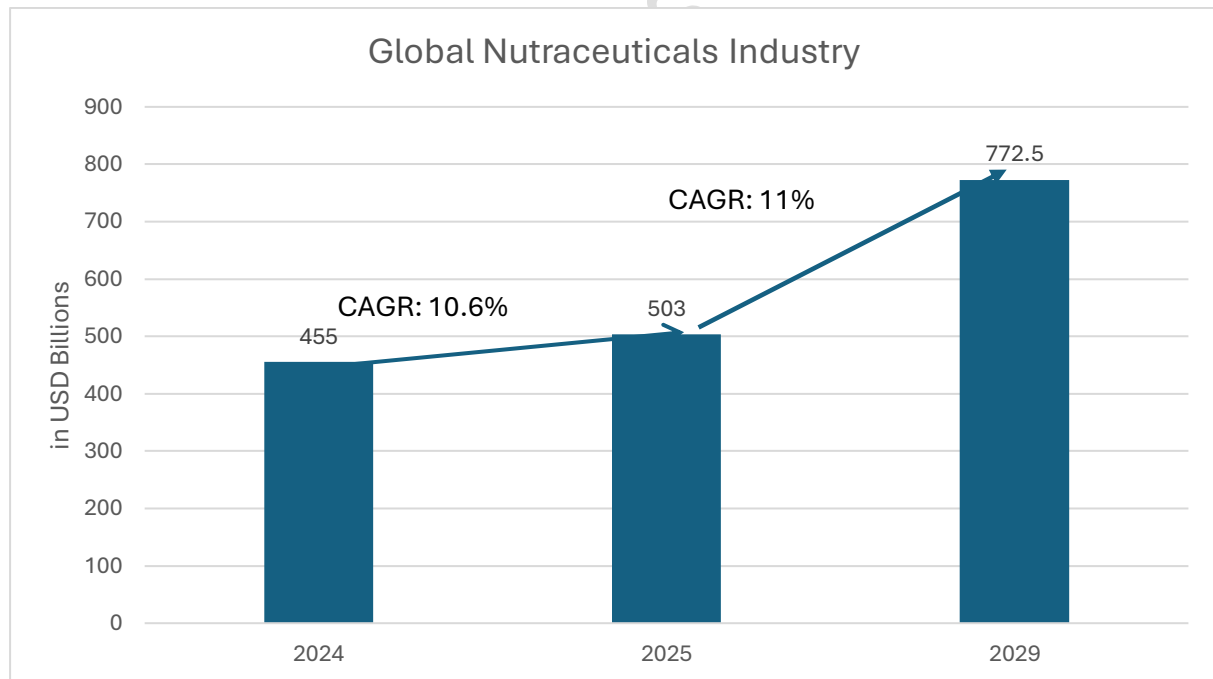
National healthcare spending was approximately 3.3% of GDP in 2022 (projected to reach around 5% by 2030), with public health expenditure at 1.9% of GDP in FY26. Ayushman Bharat-PM-JAY supported 9.84 crore admissions worth Rs. 1.40 lakh crore.

Demographic dynamics including population growth, rising incomes, and urbanisation have catalysed adoption of preventive healthcare products, supported by digital platforms and regulatory frameworks administered by FSSAI and the Ministry of AYUSH.

The consumer healthcare market demonstrates multi-segment growth driven by traditional medicine systems, preventive health trends, policy support, and expanding domestic and international demand.

Global Nutraceuticals Market Size and Growth

The global nutraceuticals industry has emerged as a rapidly expanding segment within the broader health and wellness economy, bridging food, pharmaceuticals, and preventive healthcare. It includes dietary supplements, functional foods and beverages, and condition-specific formulations targeting immunity, cardio-metabolic health, bone and joint care, cognitive function, gut health, and healthy ageing. The market was valued at approximately USD 455 billion in 2024 and is projected to reach around USD 503 billion in 2025, reflecting a CAGR of 10.6%. Over the medium term, it is expected to grow to about USD 772–775 billion by 2029, implying a forecast CAGR of roughly 11%, supported by digital health adoption, evolving dietary patterns, and the rise of personalized nutrition.



Source: Nutraceutical Sector Profile, Revised after Comments from ED, August 2025

Regional Insights

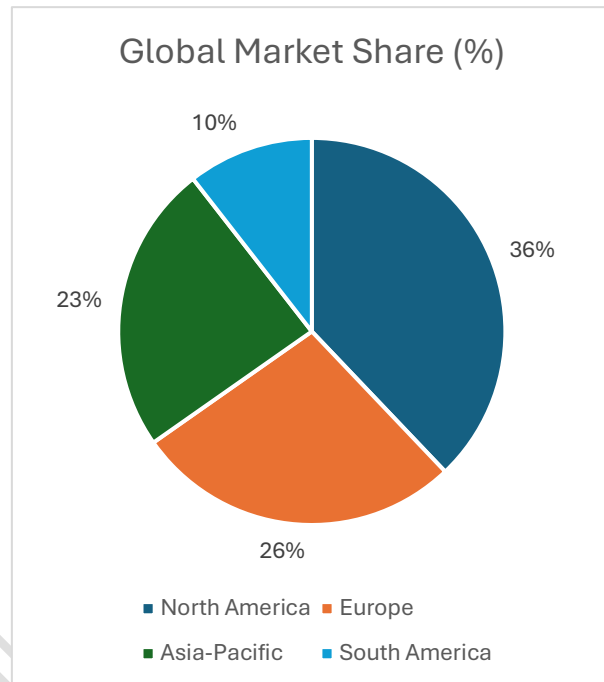
- **Asia-Pacific**

Asia-Pacific remains the primary engine of nutraceutical market growth, supported by rising incomes, rapid urbanization, and stronger health awareness across major economies such as China, Japan, South Korea, India, and ASEAN markets. China, Japan,

and South Korea together account for a large share of regional consumption, while India and Southeast Asian countries are seeing faster percentage growth as modern retail, e-pharmacies, and cross-border e-commerce expand. Demand is shifting from basic vitamins to functional foods, probiotics, herbal products, and personalised nutrition, aided by traditional medicine systems and a strong preference for plant-based, “natural” solutions.

- **North America**

North America is one of the largest and most mature nutraceutical markets, driven by high per-capita spending, an ageing population, and strong adoption of dietary supplements, sports nutrition, and functional beverages. Regulatory clarity around dietary supplements and health claims, combined with a dense network of pharmacies, mass retailers, and online platforms, supports steady growth in vitamins, minerals, herbal products, and specialty ingredients targeting heart health, weight management, mental wellness, and immune support.



- **Europe**

Europe plays a pivotal role in shaping global nutraceutical standards through stringent regulations on safety, labeling, and health claims, especially under EFSA frameworks. Consumers in Western Europe show strong preference for clean-label, organic, and scientifically substantiated functional foods and supplements, pushing manufacturers toward standardized herbal extracts, probiotics, and fortified foods. At the same time, demographic ageing and public-health emphasis on prevention sustain demand for bone health, cardio-metabolic, and cognitive-support products.

- **Latin America and Middle East & Africa**

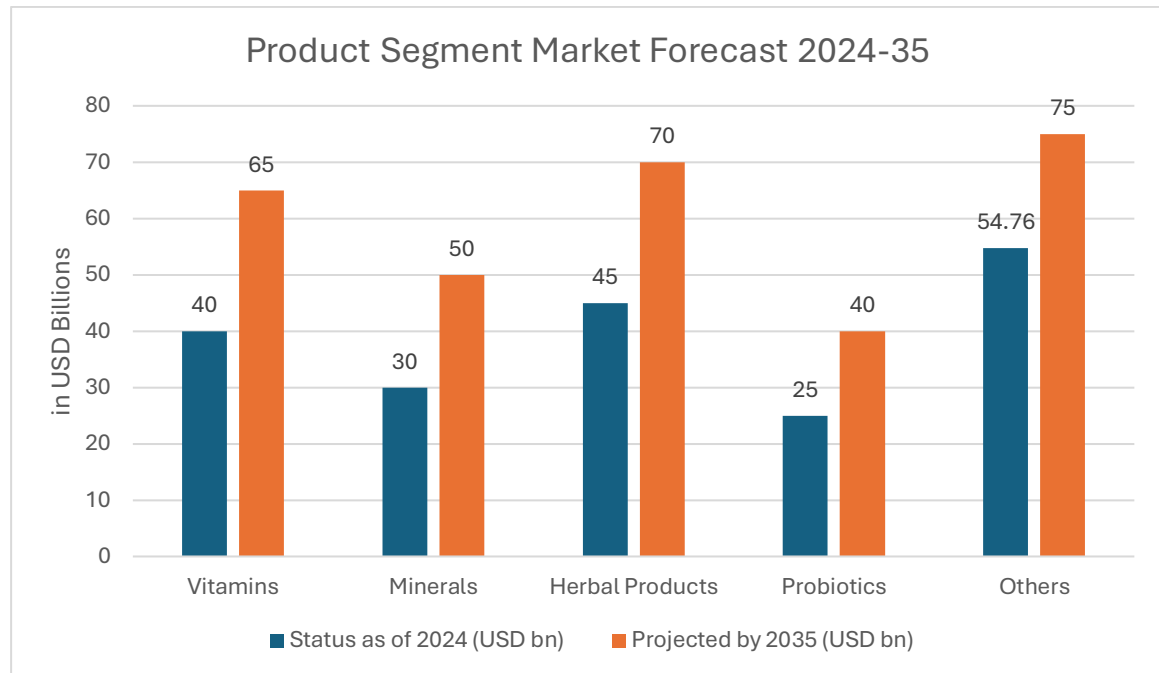
Latin America and the Middle East & Africa represent smaller but fast-emerging nutraceutical markets, with growth tied to rising middle classes and greater penetration of pharmacies and modern retail. In Latin America, demand is strengthening for herbal

and vitamin products linked to immunity, energy, and weight management, while MEA markets are seeing gradual uptake of fortified staples, infant nutrition, and basic supplements as awareness of preventive health improves. International brands often partner with local distributors and pharmacy chains to navigate regulatory regimes and build trust.

Global Market Trends

- **Sustainability and “Clean” Formulations**

Across regions, consumers are gravitating toward products perceived as natural, minimally processed, and free from controversial additives, leading to greater use of plant-based ingredients, non-GMO sourcing, and eco-conscious packaging. This “clean label” shift is particularly visible in herbal nutraceuticals, probiotics, and functional foods, where provenance, traceability, and transparent labeling are becoming differentiators.



Source: Nutraceutical Sector Profile, Revised after Comments from ED, August 2025

- **Personalised and Condition-Specific Nutrition**

The industry is moving from one-size-fits-all multivitamins to condition-specific and sometimes personalised regimens, supported by diagnostics, apps, and digital health platforms. Solutions for gut health, metabolic syndrome, fertility, cognitive performance, and healthy ageing are increasingly formulated with targeted combinations of vitamins, minerals, botanicals, omega-3s, and probiotics, often bundled with lifestyle recommendations.

- **Expansion of Functional Foods & Novel Delivery Formats**

Functional foods and beverages—fortified dairy, cereals, snacks, RTD drinks, and protein-rich products—are gaining share as consumers prefer to “consume health”

through everyday diet rather than pills. Parallely, delivery formats are diversifying from conventional tablets and capsules to gummies, effervescent, chews, shots, and melts to improve compliance and enable differentiated positioning across age groups

- **Digital & Omnichannel Distribution**

Online channels, including e-pharmacies, brand websites, and marketplaces, have become critical for discovery, education, and repeat purchasing, especially post-COVID. Traditional outlets—pharmacies, supermarkets, health stores—remain important, but omnichannel strategies that combine physical presence with subscription models, personalized recommendations, and influencer-led marketing are increasingly central to growth.

- **Regulatory and Evidence Pressure**

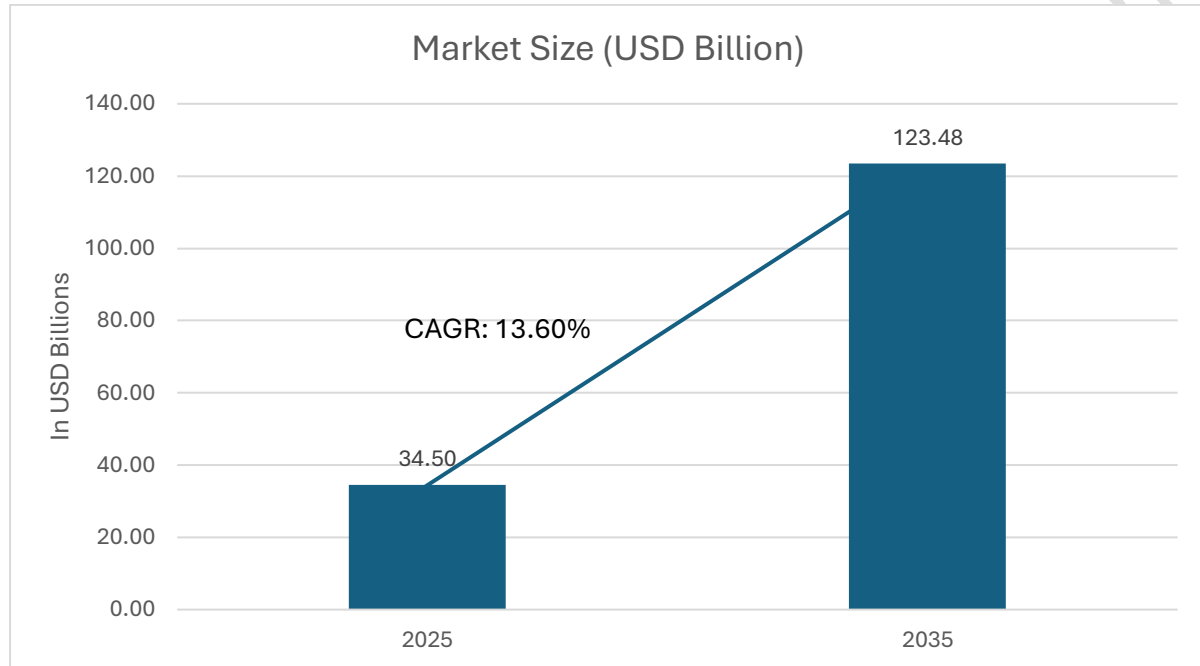
Global regulators are tightening oversight on definitions, claims, and safety data, requiring clearer differentiation between foods, supplements, and drugs and stronger clinical or mechanistic support for health claims. This is pushing serious players toward greater investment in R&D, standardization, and clinical validation, while also raising entry barriers for low-compliance manufacturers.

- **Demographics, Geriatric Focus and Chronic Disease Burden**

Ageing populations in North America, Europe, Japan, and increasingly China are a structural demand driver for bone health, cardiovascular, cognitive, and immune-support nutraceuticals. Simultaneously, the global rise in lifestyle diseases—diabetes, obesity, dyslipidemia, hypertension—underpins long-term growth in products aimed at metabolic health, weight management, and inflammation control, with nutraceuticals often positioned as adjuncts to standard pharmacotherapy.

Indian Market Size and Growth Forecast

The Indian nutraceuticals market has emerged as one of the fastest-growing segments within the country’s food processing and wellness ecosystem. The market was estimated at around USD 30.4 billion in 2024 and is projected to record a CAGR of about 13.6 percent over 2025–2030, outpacing both overall food processing and traditional pharmaceuticals. India accounted for roughly 9.2 percent of global nutraceutical revenues in 2023, underscoring its rising importance as both a consumption and manufacturing hub.



Source: Nutraceutical Sector Profile, Revised after Comments from ED, August 2025, Infomerics Analytics & Research

This growth trajectory reflects strong structural drivers, including rising health consciousness, higher incidence of lifestyle-related disorders, and a clear consumer shift from curative to preventive healthcare. Urban, digitally connected consumers are increasingly modifying dietary habits and proactively using dietary supplements, functional foods, and herbal products to manage immunity, cardio-metabolic risk, bone and joint health, digestive wellness, and cognitive performance.

Within the product mix, functional foods commanded about 37.6 percent of Indian nutraceutical revenues in 2024, supported by rapid uptake of fortified staples, probiotic-enriched foods, and value-added dairy and snack products. Dietary supplements—including vitamins, minerals, probiotics, and herbal capsules—are expected to grow at a CAGR of nearly 13.9 percent over 2025–2030, while probiotic ingredients alone contributed about 24.7 percent of ingredient revenues in 2024, reflecting heightened focus on gut and immune health.

India's ascent is further enabled by a favourable policy and regulatory environment. FSSAI's evolving frameworks for health supplements, nutraceuticals, and Ayush Aahar, coupled with initiatives such as PMKSY, PMFME and Ayush-linked programmes, are standardising definitions, improving product approvals, and supporting capacity creation across the value chain. This is attracting domestic and foreign investment into R&D, clinical validation, and modern manufacturing infrastructure, including WHO-GMP and ISO-certified plants.

On the demand side, the expanding middle class, rapid urbanisation, and widespread internet access are reinforcing omni-channel growth through pharmacies, modern retail and e-commerce, with post-COVID emphasis on immunity and holistic wellness acting as an additional catalyst. Taken together, these factors position India not only as a key global manufacturing base leveraging its agricultural biodiversity and Ayurvedic heritage, but also as one of the most attractive growth markets for science-backed nutraceutical and functional nutrition products.

3A.6 Industry Value Chain Analysis



1. Raw Material & Ingredient Procurement

The nutraceutical value chain begins with sourcing bioactive ingredients and excipients, including vitamins, minerals, amino acids, botanical extracts, probiotics, prebiotics, proteins, fibers, sweeteners, flavours, and functional lipids such as omega-3 fatty acids. Quality, standardisation, and regulatory compliance (purity, heavy metals, pesticide residues, microbial limits) influence product efficacy, safety, and label claims. Ingredients are sourced from domestic agricultural and herbal supply chains for botanicals and Ayurvedic raw drugs, and through global suppliers for specialised actives such as CoQ10, probiotics, carotenoids, and premium proteins. Larger manufacturers increasingly adopt backward integration through controlled herb cultivation, contract farming, in-house extraction, or strategic supplier tie-ups to ensure traceability, consistency, and cost efficiency.

2. Formulation Development & Manufacturing

Ingredients are processed into finished dosage forms such as tablets, capsules, softgels, powders, granules, syrups, gummies, functional beverages, and fortified foods. Manufacturing involves pre-formulation R&D, compatibility studies, and process design to ensure stability, bioavailability, palatability, and uniform dosing. Unit operations include blending, granulation, encapsulation, tableting, coating, liquid compounding, homogenisation, filling, and packaging, carried out under GMP-compliant facilities, often WHO-GMP or FSSAI-licensed. Technologies such as controlled-release matrices, microencapsulation, probiotic protection systems, and clean-label formulations are increasingly deployed. In-process and finished product testing, including assay, dissolution, microbiology, and contaminant analysis, ensures compliance with domestic and export regulations.

3. Branding, Claims & Packaging

Packaging conveys product information, shelf-life, science-backed benefits, and regulatory compliance (FSSAI license, herbal/Ayurveda certifications, allergen and nutritional declarations). Brands differentiate through condition-specific product platforms (immunity, bone health, fertility, gut health, cognitive support), innovative formats (gummies, effervescent, sachets, shots), and claims supported by clinical or mechanistic data. Labelling specifies composition, dosage, target segment, and usage instructions, while premium brands adopt tamper-evident, sustainable, and digitally enabled packaging for batch traceability and authenticity verification.

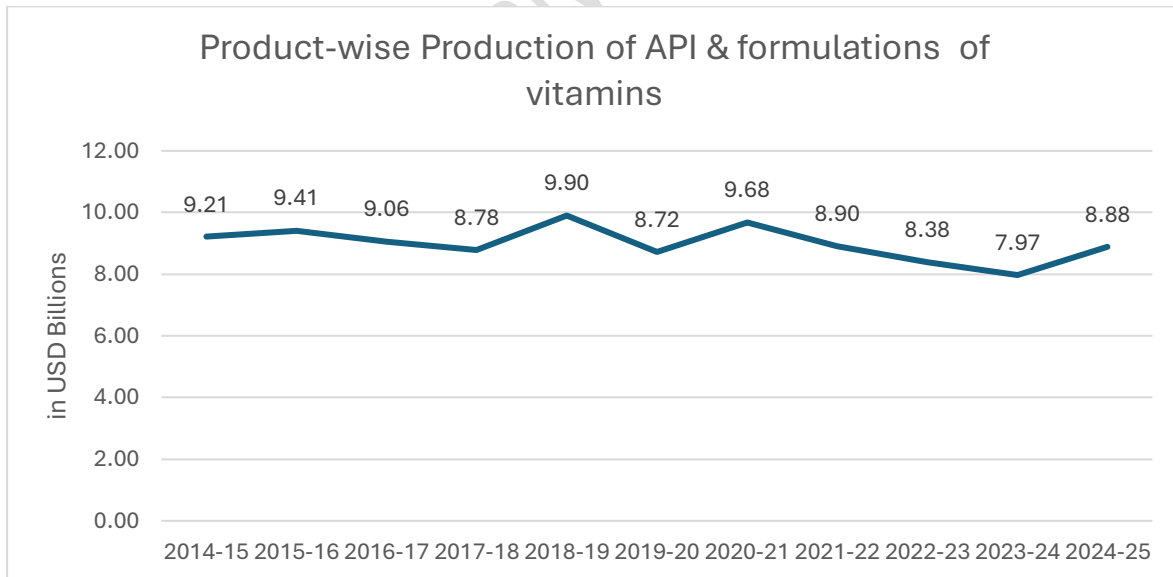
4. Distribution & Market Access

Distribution channels include doctor-led and pharmacy-based models for prescription-adjacent products, AYUSH clinics for classical formulations, and modern trade, supermarkets, health stores, and e-commerce platforms for OTC wellness and lifestyle products. Institutional and B2B channels, such as corporate hospitals, fertility and IVF centres, orthopaedic and dialysis chains, and corporate wellness programmes, procure in bulk under contractual agreements. Contract manufacturing and private-label operations support both domestic and export supply chains, integrating manufacturers with brand owners and retail networks.

5. End Consumer & Use Environments

End users span urban wellness consumers, patients with chronic conditions, athletes, pregnant and lactating women, children, adolescents, and the geriatric population. Products are consumed for preventive care, physician-advised adjunct therapy, post-illness recovery, sports nutrition, and integrative treatment alongside AYUSH or allopathic care. Consumer preferences for natural ingredients, evidence-based formulations, convenience, taste, affordability, and regulatory compliance shape product design. Digital health platforms, personalised nutrition services, and corporate wellness programmes are expanding distribution touchpoints, supporting preventive and holistic healthcare adoption.

Production Trends



Source: CMIE Database.

The production of APIs and formulations of vitamins in India has exhibited fluctuations over the past decade. From 2014-15 to 2018-19, production values ranged between 8.78 and 9.90, reflecting moderate growth and occasional year-on-year variations. In 2019-20, production dipped to 8.72, followed by a rebound to 9.68 in 2020-21, indicating resilience amid sectoral

challenges. Subsequent years saw a gradual decline, reaching a low of 7.97 in 2023-24, before increasing again to 8.88 in 2024-25. Overall, these trends suggest a cyclical pattern in vitamin API and formulation production, influenced by factors such as raw material availability, regulatory changes, and market demand dynamics.

Investment Opportunities in the Indian Nutraceutical Sector

India's nutraceutical industry is witnessing accelerated growth, supported by government initiatives such as Production-Linked Incentive (PLI) schemes, standardized trade codes, and regulatory frameworks that facilitate global compliance and product standardization. These measures are attracting foreign investment and promoting the establishment of R&D and manufacturing hubs, leveraging the integration of traditional health sciences, including Ayurveda, with modern biotech approaches.

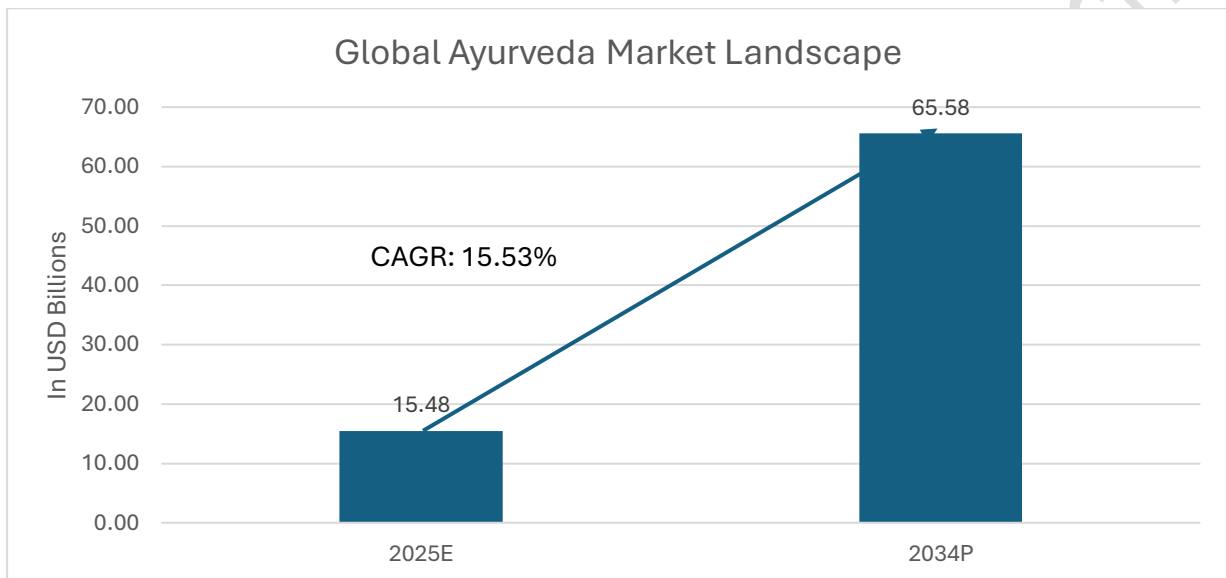
The sector is further energized by a growing startup ecosystem that employs artificial intelligence, biotechnology, and data analytics to develop personalized nutrition solutions, functional foods, and plant-based alternatives. Venture capital and private equity inflows are enabling rapid scaling, product innovation, and expansion into international markets, positioning India as an emerging innovation hub.

Domestic demand is being driven by a rising middle class, increasing urbanization, and heightened health awareness. The prevalence of lifestyle and chronic diseases, coupled with a post-pandemic focus on immunity and holistic wellness, is boosting consumption of preventive and wellness-oriented nutraceuticals.

Collectively, these factors position India to become a global leader in the nutraceutical and wellness economy, offering significant opportunities for investment, employment generation, and GDP contribution. Continued innovation, strengthened regulatory oversight, and talent development are critical to sustaining this growth trajectory.

3B Global Ayurveda Market Size and Growth

Ayurveda is an ancient system of holistic medicine originating in India over 5,000 years ago, rooted in principles of balance, prevention, and personalized treatment. As a cornerstone of the Ministry of AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha, Homeopathy), Ayurveda today encompasses classical medicines, proprietary formulations, wellness products, therapeutic services, and integrative health solutions that span both domestic and export markets.



Source: Infomerics Analytics and Research

The global Ayurvedic market has experienced rapid and accelerating expansion, valued at approximately USD 15.48 billion in 2025 (estimated) and projected to reach USD 65.58 billion by 2034, reflecting a robust compound annual growth rate (CAGR) of 15.53 percent. This trajectory underscores the structural shift toward natural, preventive, and holistic healthcare modalities globally, with Ayurveda positioned as a leading beneficiary of this transformation.

Regional Insights – Ayurveda Industry

- **Asia-Pacific**

Asia-Pacific represents the core geography for the global Ayurveda industry, supported by long-standing cultural acceptance of traditional medicine systems, rising disposable incomes, and increasing integration of herbal therapies into mainstream healthcare. India accounts for an estimated ~80 percent share of global Ayurveda production and consumption, positioning it as the principal manufacturing and export hub for Ayurvedic formulations. Demand across Southeast Asia, East Asia, and select developed Asian markets is supported by growing interest in plant-based remedies, immunity support, and preventive healthcare, alongside the expansion of organised retail, AYUSH institutions, and e-pharmacy platforms.

- **North America**

North America constitutes a relatively mature but high-value market for Ayurvedic products, driven by strong consumer focus on wellness, stress management, and natural health solutions. Ayurvedic formulations are primarily positioned within the dietary supplement and herbal product categories, distributed through pharmacies, specialty wellness stores, yoga and integrative health centres, and online channels. Regulatory oversight under dietary supplement frameworks emphasises standardisation, safety, and labelling, influencing product formats and claims. Imports from India form a significant part of regional supply.

- **Europe**

Europe plays an important role in shaping quality, safety, and compliance benchmarks for Ayurvedic and herbal products through stringent regulatory frameworks governing traditional herbal medicines and food supplements. Demand is concentrated in Western Europe, where consumers demonstrate preference for clean-label, organic, and evidence-supported natural remedies. Ayurvedic products are typically adopted for digestive health, skin and hair care, metabolic balance, and general wellness, with ageing populations and preventive health policies supporting steady consumption.

- **Latin America and Middle East & Africa**

Latin America and the Middle East & Africa represent emerging markets for Ayurveda, supported by expanding middle-class populations, increasing penetration of organised pharmacy networks, and rising awareness of natural and traditional therapies. Consumption remains relatively limited compared with Asia–Pacific and Western markets but is gradually expanding in categories such as immunity support, energy, and general wellness. Market development in these regions is often facilitated through distributor partnerships, regulatory adaptation, and cross-border e-commerce, with India serving as the primary source of Ayurvedic formulations.

Global Market Trends – Ayurvedic Industry

- **Sustainability and Natural Formulations**

Across global markets, demand for Ayurvedic products is increasingly shaped by preference for natural, plant-based formulations with transparent sourcing and minimal processing. Manufacturers are placing greater emphasis on standardized botanical inputs, traceable supply chains, non-synthetic additives, and environmentally responsible packaging. These factors are becoming important differentiators, particularly in herbal formulations, medicated oils, powders, and traditional dosage forms supplied to regulated export markets.

- **Condition-Oriented and Personalized Ayurveda**

The Ayurvedic industry is gradually evolving from broad wellness positioning toward condition-oriented applications linked to digestion, immunity, musculoskeletal health, stress management, metabolic balance, and healthy ageing. This shift is supported by

improved standardization of formulations, practitioner-guided personalization, and selective integration of diagnostics and digital tools, enabling more targeted regimens while remaining anchored in classical Ayurvedic principles.

- **Integration into Functional Foods and Alternative Formats**

Ayurvedic formulations are increasingly being incorporated into functional foods and daily-use formats, including fortified foods, herbal teas, beverages, and nutritionally enhanced traditional preparations. Alongside conventional tablets, powders, and oils, manufacturers are expanding into alternative delivery formats such as gummies, effervescent, sachets, and ready-to-consume products to improve convenience, palatability, and adherence across consumer segments.

- **Digital and Multi-Channel Distribution**

Digital platforms have become an important channel for education, discovery, and repeat purchasing of Ayurvedic products, complementing traditional distribution through pharmacies, AYUSH clinics, and wellness centres. E-commerce, direct-to-consumer models, and hybrid online-offline strategies are enabling wider geographic reach, while physical channels continue to play a central role for practitioner-led and prescription-adjacent formulations.

- **Regulatory Oversight and Standardisation**

Global and domestic regulators are placing increasing emphasis on quality assurance, safety, labeling accuracy, and substantiation of claims for Ayurvedic products. This has led to greater adoption of GMP-compliant manufacturing, standardized extracts, pharmacopoeial references, and documentation aligned with export market requirements. While these developments raise compliance costs, they also increase entry barriers and support long-term industry credibility.

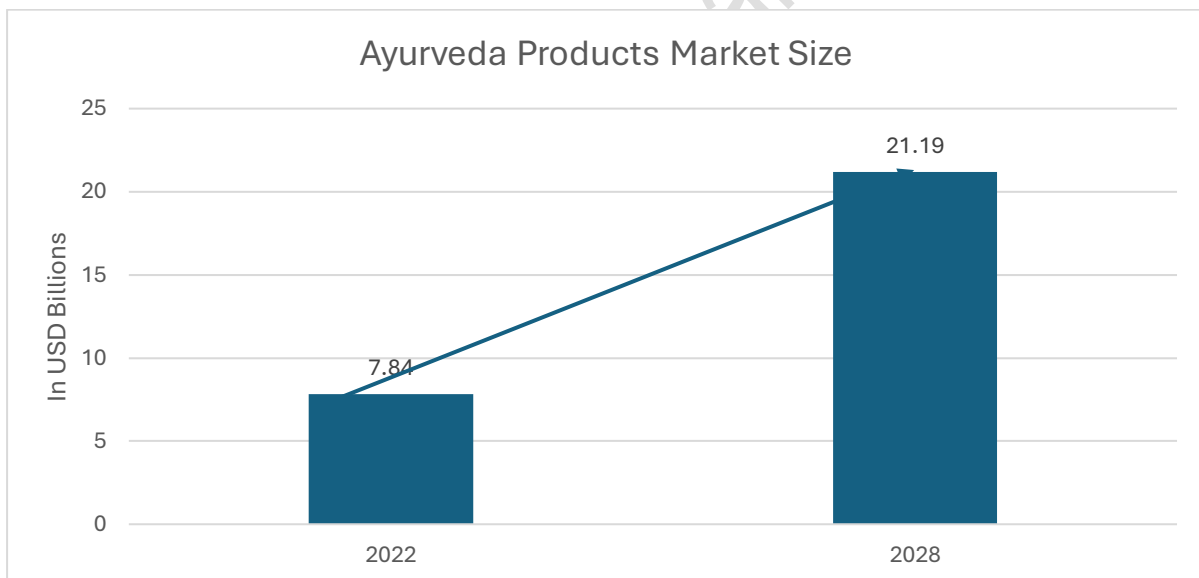
- **Demographic and Chronic Health Drivers**

Ageing populations in developed markets and the rising prevalence of lifestyle-related disorders across emerging economies are supporting sustained demand for Ayurvedic products positioned for long-term wellness and adjunct care. Applications related to joint health, digestive support, metabolic balance, immunity, and cognitive well-being are benefiting from this structural shift, with Ayurveda increasingly positioned alongside conventional healthcare systems as part of preventive and integrative care frameworks.

India Ayurveda Market Landscape

India represents the core of the global AYUSH ecosystem, supported by an unmatched civilisational legacy, deep institutional capacity, and expanding domestic and international demand. As the birthplace of Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homeopathy, India accounts for approximately 80% of global Ayurvedic practice and production, underpinned by centuries of continuous knowledge transmission through practitioners, academic institutions, and research bodies.

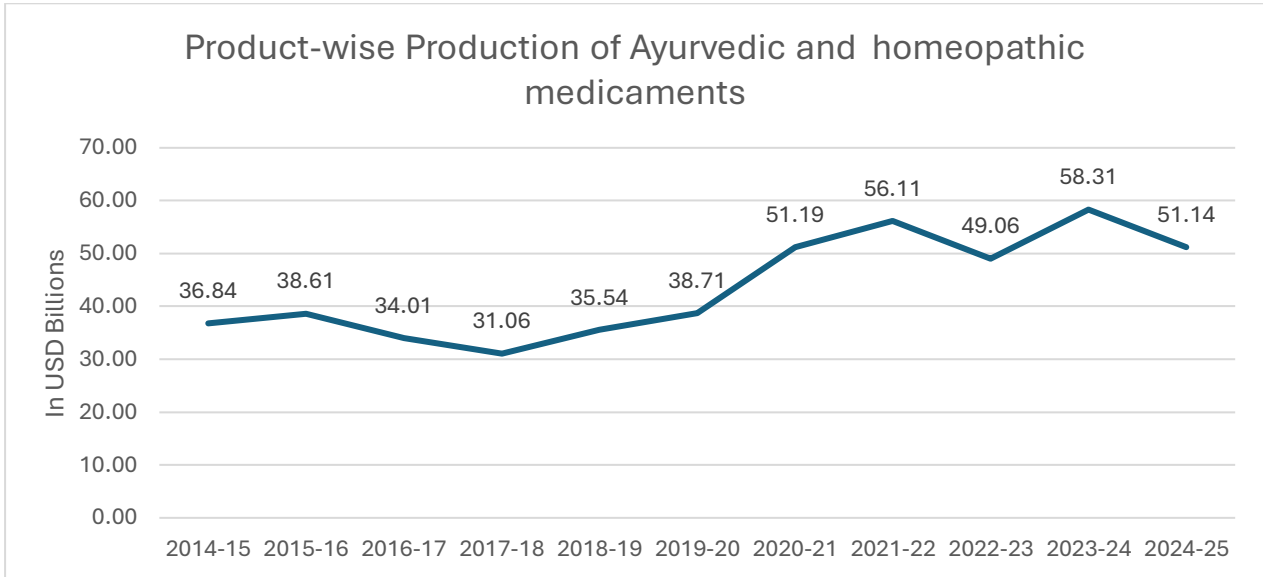
The Indian AYUSH sector has recorded strong growth across manufacturing, services, exports, and wellness tourism. AYUSH manufacturing expanded from US\$ 18 billion in 2020 to US\$ 24 billion in 2024, while the AYUSH services segment was valued at US\$ 26 billion in 2024, taking the overall industry size beyond US\$ 50 billion. The broader Indian AYUSH market is projected to grow from US\$ 43.3 billion in 2024 to US\$ 200 billion by 2030, driven by rising health awareness, increased adoption of preventive healthcare, and growing export demand. Separately, the AYUSH-based healthcare and wellness segment is expected to reach US\$ 70 billion by 2025.



Source: IBEF Ayush

Within this ecosystem, the Ayurvedic products segment has emerged as a key growth driver. The Ayurvedic products market reached Rs. 62,600 crore (US\$ 7.84 billion) in 2022 and is projected to grow to Rs. 1,82,400 crore (US\$ 21.19 billion) by 2028, registering a CAGR of 19.3% during 2023–2028. Broader industry estimates indicate that the AYUSH sector is expected to witness a CAGR of approximately 17% during 2024–2032, supported by product standardisation, strengthening of regulatory frameworks, and increasing integration with modern healthcare delivery.

Production Trends



Source: IBEF

Production of Ayurvedic and homeopathic medicaments in India has exhibited a generally upward trend over the last decade, with intermittent fluctuations reflecting regulatory transitions, demand cycles, and supply-side adjustments. Output increased from 36.84 in 2014–15 to 38.61 in 2015–16, followed by a moderation during 2016–17 to 2017–18, when production declined to 31.06.

From 2018–19 onwards, production recovered, rising to 38.71 in 2019–20, and witnessed a sharp acceleration during the pandemic period, reaching 51.19 in 2020–21 and further increasing to 56.11 in 2021–22, supported by heightened demand for immunity-related and preventive healthcare products. Although production moderated to 49.06 in 2022–23, it rebounded to a peak of 58.31 in 2023–24, before easing to 51.14 in 2024–25.

Overall, the trend indicates a structurally higher production base in recent years compared with the pre-2020 period, underpinned by expanding domestic consumption, growing export demand, and increased formalisation and capacity expansion within the Ayurvedic and homeopathic manufacturing ecosystem.

Export Momentum and Long-Term Structural Drivers

Export performance further reinforces growth visibility. Exports of AYUSH and herbal products increased from Rs. 5,580 crore (US\$ 651.17 million) in FY24 to Rs. 5,907 crores (US\$ 689.34 million) in FY25, representing 5.86% growth in value alongside 21.46% growth in volumes, indicating widening global acceptance of Indian traditional medicine products. Government support has also intensified, with the Ministry of AYUSH’s budget allocation for FY26 increasing by 14.2% year-on-year to Rs. 3,992.9 crore (US\$ 461.3 million), directed toward education, research, infrastructure development, and international outreach.

India's competitive advantage is further strengthened by a favourable regulatory environment led by the Ministry of AYUSH, rising MSME participation, and expanding employment opportunities. The number of AYUSH-related MSMEs increased from 38,216 units in August 2021 to 53,023 units by January 2023, reflecting growing entrepreneurial interest and capacity creation across the value chain. Government initiatives targeting skill development and institutional expansion aim to create nearly 3 million jobs across manufacturing, healthcare delivery, education, and allied activities. In parallel, wellness tourism linked to Ayurveda and Yoga was valued at Rs. 1,64,164 crore (US\$ 19.43 billion) in 2024 and is projected to reach Rs. 2,57,237 crore (US\$ 29.88 billion) by 2031, further reinforcing demand for AYUSH services and products and strengthening India's position as a global hub for traditional and holistic healthcare.

Within this rapidly expanding ecosystem, individual companies play a critical role in translating national-level demand into tangible production and consumption outcomes. The Company's Ayurvedic product portfolio aligns with national growth trends, contributing to both domestic consumption and exports. Detailed production and consumption data of the Company, at national and state levels, underscore its participation in the broader AYUSH value chain. Furthermore, the application of the Company's Ayurvedic and related products reflect evolving consumer preferences and healthcare practices, with future growth supported by increased adoption of preventive and holistic healthcare solutions across India

4A. Market Dynamics- Nutraceuticals Industry

4A.1 Growth Drivers

Growth in the nutraceuticals industry is supported by shifting consumer preferences toward preventive healthcare, expanding retail and e-commerce distribution, and an increasingly supportive regulatory and policy environment. Rising adoption across functional foods, dietary supplements, and wellness products, alongside innovation in science-backed formulations, delivery formats, and digital health integration, is expected to underpin sustained market expansion. The following matrix presents the key growth drivers and their relative significance across the short, medium, and long term.

Market Drivers and Impact Assessment

(All values represent directional impact based on industry estimates and qualitative analysis)

Drivers	Impact		
	1-2 Years	3-4 Years	5-7 Years
1. Rising consumer shift toward preventive healthcare and self-managed wellness	High	High	High
2. Expansion of e-commerce, direct-to-consumer platforms, and organized retail improving nutraceutical accessibility	High	High	Moderate
3. Growing adoption of science-backed formulations, clinical validation, and clean-label nutraceutical products	Moderate	High	High
4. Increasing use of pharmaceutical-grade and biologically sensitive packaging supporting probiotics, functional foods, and bioactive ingredients	Moderate	High	High
5. Regulatory formalization, quality standardization, and traceability requirements strengthening consumer trust and market credibility	Low	Moderate	High

6. Expanding export potential driven by rising global demand for Indian nutraceuticals across functional foods, dietary supplements, and herbal formulations

Moderate

Moderate

High

Source – Infomerics Analytics & Research

Detailed Driver Commentary

1. Shift Toward Preventive Healthcare and Self-Managed Wellness

The nutraceutical industry is supported by a sustained shift toward preventive healthcare and self-managed wellness. Consumers are increasingly incorporating immunity boosters, metabolic health supplements, cognitive health products, and daily nutrition formats into routine lifestyles, driven by rising lifestyle-related health concerns and growing health awareness. This driver demonstrates consistently high impact across short, medium, and long-term horizons. Demand is further reinforced by increasing adoption among millennials and Gen Z consumers, supported by personalized supplementation trends, digital health platforms, and wellness tracking ecosystems. In addition, the continued expansion of the urban middle-class population supports higher consumption of convenient daily formats such as gummies, effervescent, and functional beverages.

2. Expansion of E-commerce, Direct-to-Consumer, and Organized Retail Channels

The rapid expansion of e-commerce, direct-to-consumer (D2C) platforms, and organized retail has significantly improved accessibility and reach of nutraceutical products, particularly in the near to medium term. Digital marketplaces and category-focused platforms enable wider geographic penetration, consumer education, and targeted product discovery. D2C brands leverage subscription-led models to enhance consumer retention, while organized retail networks provide offline scale and visibility. Improvements in logistics and supply-chain infrastructure further support early-stage growth; however, the relative impact of this driver is expected to moderate over the long term as digital penetration matures and physical retail stabilizes.

3. Growing Adoption of Science-Backed and Clean-Label Formulations

Consumer preference is progressively shifting toward science-backed formulations, clinical validation, and clean-label nutraceutical products. Increasing regulatory emphasis on evidence-based claims and ingredient transparency supports this transition and enables premiumization across select product categories, including probiotics and functional nutrition. While near-term adoption remains moderate due to higher research, development, and compliance costs, the long-term impact is expected to be high as consumer trust improves and third-party certifications gain prominence. The industry is also witnessing a gradual shift from traditional formulations toward enhanced bioavailability formats, supporting product differentiation in an increasingly competitive market environment.

4. Increasing Use of Pharmaceutical-Grade and Biologically Sensitive Packaging

The adoption of pharmaceutical-grade and biologically sensitive packaging has emerged as an important enabler for nutraceutical products containing probiotics, bioactive ingredients, and functional food components. High-barrier packaging solutions address stability, moisture, and oxygen sensitivity challenges and support improved shelf-life and product integrity. Initial adoption remains moderate due to capital expenditure requirements; however, scale-led adoption is expected to accelerate over the medium to long term, particularly across functional foods and protein-based nutrition categories. Advanced packaging solutions also support premium positioning and export readiness.

5. Regulatory Formalization, Quality Standardization, and Traceability

Regulatory formalization and quality standardization act as structural long-term growth drivers for the nutraceutical industry. Progressive implementation of enhanced traceability, labeling, and quality compliance requirements strengthens consumer confidence and improves overall market credibility. While compliance-related costs may exert pressure on smaller participants in the short term, these measures support long-term industry consolidation, reduce risks of adulteration, and enable premium positioning. Increasing alignment with global regulatory standards further supports the maturation and formalization of the industry.

6. Expansion of Export Opportunities

India's nutraceutical industry benefits from expanding export opportunities, driven by rising global demand for dietary supplements, functional foods, and herbal and traditional formulations. While short-term growth remains moderate due to regulatory harmonization and market-entry requirements, long-term prospects remain strong, supported by improving quality standards, manufacturing capabilities, and international acceptance of Indian formulations. Dietary supplements and functional food products constitute key export categories, positioning the industry for sustained long-term growth.

4A.2 Challenges

Growth in the nutraceuticals industry faces headwinds from regulatory complexities, supply chain vulnerabilities, consumer trust gaps, and competitive pressures. Evolving compliance requirements, raw material sourcing challenges, market fragmentation, and technological investment barriers constrain scalability and profitability. The following matrix presents the key challenges and their relative significance across the short, medium, and long term.

Market Challenges and Impact Assessment

(All values represent directional impact based on industry estimates and qualitative analysis)

Restrains	Impact		
	1-2 Years	3-4 Years	5-7 Years
1. Regulatory uncertainty and compliance complexities	High	High	Moderate
2. Volatility in raw material prices and supply chain disruptions	High	High	Moderate
3. Consumer skepticism and trust deficits	Moderate	High	Moderate
4. Intense competition and market fragmentation	High	Moderate	Moderate

Source- Infomerics Analytics & Research

Detailed Overview of Challenges

1. Regulatory Uncertainty and Compliance Complexities

The nutraceutical industry operates within a dynamic regulatory environment, with products subject to evolving classification, labeling, and compliance requirements. In the near term (1–2 years), regulatory uncertainty and frequent guideline updates result in a high compliance burden, particularly for smaller and unorganized participants. This impact is expected to remain high over the medium term (3–4 years) as transition requirements continue to evolve and compliance expectations stabilize. Over the long term (5–7 years), regulatory complexity is expected to moderate as standards mature, supporting greater clarity and industry-wide compliance.

2. Volatility in Raw Material Prices and Supply Chain Disruptions

Manufacturers face challenges arising from volatility in raw material prices and periodic supply chain disruptions, driven by dependence on imported ingredients and variability in domestic sourcing. The impact remains high in both the near and medium term due to procurement uncertainty, logistics constraints, and cost pressures. Over the long term, this challenge is expected to moderate with increased backward integration, supplier diversification, and gradual development of localized sourcing ecosystems.

3. Consumer Skepticism and Trust Deficits

Consumer concerns related to product efficacy, quality assurance, and the credibility of health claims continue to influence purchasing behavior in the nutraceutical industry. In the near term, the impact of trust deficits remains moderate as awareness initiatives, improved labeling practices, and greater information availability partially mitigate skepticism. Over the medium term, the impact is expected to increase as consumer scrutiny intensifies alongside broader product availability and choice. In the long term, this challenge is expected to moderate as regulatory clarity improves and established brands benefit from strengthened consumer confidence.

4. Intense Competition and Market Fragmentation

The nutraceutical industry is characterized by intense competition due to the presence of numerous unorganized participants, product commoditization, and increasing participation from domestic and international brands. Competitive pressure remains high in the near term, driven by pricing competition and rapid product proliferation. Over the medium term, the impact is expected to moderate as compliance requirements, scale advantages, and brand differentiation contribute to gradual consolidation. In the long term, competitive intensity is likely to remain moderate, with sustained competition centered on innovation, quality, and brand strength.

4B. Market Dynamics- Ayurvedic Industry

4B.1 Growth Drivers

The ayurvedic industry is witnessing sustained growth driven by strong policy support, rising consumer preference for natural wellness solutions, and expanding private and public investment across herbal formulations, personal care, and healthcare segments. The nutraceutical-ayurvedic convergence segment is gaining momentum, supported by preventive healthcare trends, the rise of e-commerce and D2C platforms, and growing adoption of science-backed herbal extracts and clinically validated rasayana formulations. Advancements in standardization, sustainable sourcing, and digital health integration continue to strengthen the long-term outlook for both the ayurvedic and nutraceutical-ayurvedic sectors.

Market Drivers and Impact Assessment

(All values represent directional impact based on industry estimates and qualitative analysis)

Drivers	Impact		
	1-2 Years	3-4 Years	5-7 Years
1. Government policy support through AYUSH initiatives and integration into mainstream healthcare	High	High	High
2. Rising consumer preference for natural, herbal remedies and preventive wellness	High	High	High
3. Expansion of e-commerce, D2C platforms, and organized retail channels	High	High	Moderate
4. Growing global export demand for Ayurvedic products and formulations	Moderate	High	High
5. Advancements in standardization, clinical validation, and quality certification	Low	Moderate	High
6. Technological integration including digital health apps and modern manufacturing	Moderate	High	High

Source: Infomerics Analytics & Research

Detailed Driver Commentary

1. Government Policy Support and Institutional Integration

The Ayurvedic industry benefits from sustained government support through policy initiatives, institutional backing, and integration into national healthcare and wellness frameworks. In the near term (1–2 years), policy continuity, public health programs, and formal recognition of Ayurveda support high industry impact by strengthening legitimacy and demand. This impact is expected to remain high over the medium term (3–4 years) as implementation deepens across public healthcare delivery and wellness infrastructure. Over the long term (5–7 years), policy support is expected to continue providing a stable growth foundation through institutionalized adoption and ongoing regulatory backing.

2. Rising Consumer Preference for Natural and Preventive Wellness Solutions

Increasing health awareness and a growing preference for natural, herbal, and preventive healthcare solutions continue to drive demand for Ayurvedic products. In the near and medium term, this shift supports high growth as consumers increasingly adopt Ayurveda for immunity, lifestyle management, and holistic wellness. Over the long term, this preference is expected to remain strong as preventive healthcare gains structural importance in consumer behavior, sustaining consistent demand across product categories.

3. Expansion of E-commerce, D2C Platforms, and Organized Retail Channels

The expansion of digital commerce, direct-to-consumer platforms, and organized retail has significantly improved product accessibility and market reach for Ayurvedic offerings. In the near and medium term, this results in high impact by enabling wider geographic penetration, improved consumer engagement, and brand visibility, particularly in urban and semi-urban markets. Over the long term, the impact is expected to moderate as distribution channels mature and market penetration stabilizes.

4. Growing Global Export Demand for Ayurvedic Products

Rising international interest in traditional and plant-based wellness systems supports expanding export opportunities for Ayurvedic products and formulations. In the near term, export growth remains moderate due to regulatory, certification, and market entry requirements. Over the medium term, impact is expected to increase as compliance capabilities improve and market familiarity strengthens. In the long term, export demand is anticipated to contribute high impact, supported by broader acceptance of Ayurveda within the global wellness and herbal products market.

5. Advancements in Standardization, Clinical Validation, and Quality Certification

Efforts toward improved standardization, scientific validation, and quality certification are gradually strengthening the credibility of Ayurvedic products. In the near term, impact remains low due to longer development timelines and associated costs. Over the medium term, impact is expected to increase as standardized processes and certifications gain wider adoption. In the long term, these advancements are anticipated to deliver high

impact by enhancing consumer trust, supporting premiumization, and facilitating institutional and export market access.

6. Technological Integration in Manufacturing and Consumer Engagement

The adoption of modern manufacturing technologies and digital tools is supporting operational efficiency, scalability, and improved consumer interaction within the Ayurvedic industry. In the near term, technological integration has a moderate impact as adoption remains uneven. Over the medium term, impact is expected to rise as automation, quality control systems, and digital engagement tools become more prevalent. In the long term, technology is expected to have a high impact by supporting consistent quality, traceability, and scalable growth.

4B.2 Challenges

The Ayurvedic industry navigates a complex regulatory landscape with evolving standards across AYUSH, FSSAI, and drug classifications. In the near term (1–2 years), frequent guideline updates and licensing ambiguities create high compliance burdens, particularly for smaller manufacturers. This impact remains high over the medium term (3–4 years) as enforcement intensifies and validation requirements evolve. Over the long term (5–7 years), challenges moderate as standards consolidate, enabling clearer compliance pathways.

Market Challenges and Impact Assessment

(All values represent directional impact based on industry estimates and qualitative analysis)

Restrains	Impact		
	1-2 Years	3-4 Years	5-7 Years
1. Regulatory uncertainty and compliance complexities	High	High	Moderate
2. Raw material sourcing volatility and supply chain constraints	High	High	Moderate
3. Consumer skepticism and quality perception gaps	Moderate	High	Moderate
4. Market fragmentation and intense competition	High	Moderate	Moderate

Source- Infomerics Analytics & Research

Detailed Overview of Challenges

1. Regulatory Uncertainty and Compliance Complexities

The Ayurvedic industry navigates a complex regulatory landscape with evolving standards across AYUSH, FSSAI, and drug classifications. In the near term (1–2 years), frequent guideline updates and licensing ambiguities create high compliance burdens, particularly for smaller manufacturers. This impact remains high over the medium term (3–4 years) as enforcement intensifies and validation requirements evolve. Over the long term (5–7 years), challenges moderate as standards consolidate, enabling clearer compliance pathways.

2. Raw Material Sourcing Volatility and Supply Chain Constraints

Heavy dependence on seasonal herbs, imported botanicals, and inconsistent quality creates procurement vulnerabilities. Near-term impact stays high due to price fluctuations, adulteration risks, and supply disruptions from climate or export bans. Medium-term pressures persist amid scaling demands; long-term moderation occurs through contract farming, cultivation incentives, and diversified sourcing networks.

3. Consumer Skepticism and Quality Perception Gaps

Doubts over efficacy, standardization, and differentiation from allopathic alternatives limit mainstream adoption. Moderate near-term impact reflects growing awareness efforts; medium-term intensification arises from premium pricing scrutiny and counterfeit proliferation. Long-term stabilization follows clinical validations, branding maturity, and trust-building through transparent certifications.

4. Market Fragmentation and Intense Competition

Presence of unorganized players, regional formulations, and multinational entrants fragments the market while commoditizing core categories. High near-term competitive pressures stem from pricing wars and distribution battles; medium-term moderation via consolidation favors scaled brands with R&D capabilities. Sustained moderate long-term challenges center on innovation leadership and category premiumization.

5. PESTEL Analysis of the Industry

The PESTEL framework provides a structured assessment of the external macro-environmental factors that influence the industry’s operating landscape. It examines the political, economic, social, technological, environmental, and legal dimensions that collectively shape industry performance, regulatory evolution, and strategic direction. This analysis enables a comprehensive understanding of the opportunities and challenges impacting market stability, investment potential, and long-term sectoral growth.

5A. Nutraceuticals Industry

Factor	Key Insights and Implications
Political	<ul style="list-style-type: none"> • Government initiatives such as <i>Make in India</i>, PLI schemes for food processing, and AYUSH promotion support domestic nutraceutical manufacturing and localization of herbal ingredients. • FSSAI regulations provide clarity on health claims, while jurisdictional overlaps with CDSCO and other authorities create compliance complexity. • Export incentives, trade agreements, and integration into national health programs enhance institutional demand. • Variations in state-level rules for packaging and waste management add operational challenges for multi-region manufacturers.
Economic	<ul style="list-style-type: none"> • Rising disposable incomes and increasing health awareness drive adoption of premium nutraceutical products among urban consumers. • Price volatility of botanicals, polymers, and specialty ingredients impacts manufacturing margins and cost management. • MSME credit schemes and government-backed financing facilitate R&D scaling and operational expansion. • Growth in e-commerce and D2C channels, along with incentives like RoDTEP, support exports and offset import dependence and forex risks.
Social	<ul style="list-style-type: none"> • Preventive healthcare trends, post-pandemic immunity focus, and millennial preference for herbal formulations boost demand for nutraceuticals. • Busy lifestyles drive adoption of convenient daily formats, including capsules, gummies, and effervescents. • Awareness of clean-label products, hygiene, and ingredient transparency shapes purchasing behavior. • Packaging quality and design influence brand perception, consumer trust, and repeat purchase behavior.

Technological	<ul style="list-style-type: none"> • Innovations in bioavailability, formulation technology, and clinical validation enhance product efficacy and consumer confidence. • Automation, solventless lamination, and modern manufacturing processes improve scale, efficiency, and consistency. • Digital platforms, ERP systems, and D2C tools support inventory management, subscription models, and direct consumer engagement. • QR codes, smart labels, and emerging traceability solutions strengthen compliance, transparency, and global market readiness.
Environmental	<ul style="list-style-type: none"> • Extended Producer Responsibility (EPR) regulations drive adoption of recyclable and sustainable packaging. • Organic sourcing, chemical-free production, and biodiversity-preserving cultivation differentiate premium brands. • Energy-efficient operations, waste reduction initiatives, and eco-certifications meet regulatory requirements and consumer expectations.
Legal	<ul style="list-style-type: none"> • Nutraceuticals must comply with FSSAI and AYUSH standards for labelling, health claims, and herbal product classifications. • Advertising and promotional claims are subject to oversight by regulatory authorities and self-regulatory bodies, including FSSAI, Ministry of AYUSH, and the Advertising Standards Council of India (ASCI), with heightened scrutiny on claims implying cure, guaranteed results, or medical treatment outcomes. • International compliance, including FDA (USA) and EU regulations, is required for export market access. • Consumer Protection laws prohibit misleading advertising, false claims, and greenwashing. • Intellectual property protections for formulations, trademarks, and proprietary processes safeguard competitiveness.

5B. Ayurveda Industry

Factor	Key Insights and Implications
Political	<ul style="list-style-type: none"> Ministry of AYUSH provides strong policy support through National Ayush Mission and public healthcare integration. Drugs & Cosmetics Act mandates GMP; FSSAI overlaps create compliance complexity for food-classified products. Ayush Export Council and international MoUs enhance global market access. State-level variations in licensing and AYUSH centers add multi-region operational challenges.
Economic	<ul style="list-style-type: none"> Rising wellness spending drives premium Ayurvedic product adoption across demographics. Herbal raw material volatility, adulteration, and seasonal availability impact costs and supply. MSME schemes, PLI incentives support capacity expansion and R&D investment. E-commerce/D2C growth and export benefits offset import dependence and forex risks.
Social	<ul style="list-style-type: none"> Cultural acceptance and preventive wellness trends support mainstream Ayurveda adoption. Urban millennials seek immunity, stress relief, and personalized formulations. Chronic disease prevalence boosts demand for rasayana and adaptogenic therapies. Brand trust and practitioner credibility drive repeat purchases and adherence.
Technological	<ul style="list-style-type: none"> Scientific validation and standardization enhance product credibility and premium positioning. Automation in extraction, tabletization improves manufacturing scale and consistency. Digital platforms enable dosha assessments, telemedicine, and subscription models. AI personalization and blockchain traceability strengthen compliance and engagement.
Environmental	<ul style="list-style-type: none"> Sustainable cultivation addresses herbal depletion and biodiversity concerns. Organic certifications differentiate premium brands with chemical-free practices. EPR regulations drive recyclable packaging adoption. Water conservation and waste minimization enhance efficiency and positioning.
Legal	<ul style="list-style-type: none"> AYUSH standards govern classical formulations; Drugs & Cosmetics Act mandates licensing and GMP.

- FSSAI dual compliance applies for food-classified Ayurvedic products regarding labelling and health claims.
- Advertising and promotional claims are subject to oversight by regulatory authorities and self-regulatory bodies, including FSSAI, Ministry of AYUSH, and ASCI, with increased scrutiny on claims implying cure or guaranteed results.
- Consumer Protection Act prohibits misleading advertising, false claims, and greenwashing.
- WHO-GMP, Ayush Premium Mark, and intellectual property protections safeguard exports, formulations, and proprietary processes

6. Government Initiatives and Policy Support

The nutraceuticals and Ayurveda industries in India operate within a structured and evolving policy environment that encompasses food safety regulation, traditional medicine governance, manufacturing quality standards, institutional healthcare integration, and export facilitation. Regulatory oversight for these industries is exercised through a dual framework, with the Food Safety and Standards Authority of India (FSSAI) governing health supplements and novel foods, and the Ministry of AYUSH regulating traditional formulations, supported by Schedule M manufacturing norms and WHO-GMP standards. Government policy orientation in this sector is directed toward strengthening domestic manufacturing capacity, improving regulatory standardization, enabling participation of MSMEs, integrating traditional systems into public healthcare delivery, and enhancing the global competitiveness of Indian wellness products.

Nutraceuticals and Ayurveda Industries

Policy / Initiative	Policy Details	Industry Impact
Union Budget FY25–26 – AYUSH Allocation	Budgetary allocation to the Ministry of AYUSH for institutional infrastructure, research, and implementation of national programmes, including the National AYUSH Mission.	Supports public healthcare integration of Ayurveda and wellness products; enhances institutional procurement and demand for standardized nutraceutical and Ayurvedic formulations.
National AYUSH Mission (NAM)	Continuation of NAM with focus on AYUSH Health & Wellness Centres under Ayushman Bharat and strengthening of AYUSH hospitals and dispensaries.	Expands access to Ayurveda-based preventive healthcare; creates steady institutional demand for classical and proprietary formulations.
Production Linked Incentive (PLI) Schemes	Food Processing PLI covers nutraceuticals, fortified foods, and herbal formulations; allied manufacturing incentives support scale-up and modernization.	Encourages capacity expansion and technology upgradation; improves cost competitiveness and export readiness of compliant manufacturers.

AYUSH Manufacturing Promotion Scheme (AMPS)	Development of common manufacturing and testing infrastructure for AYUSH MSMEs with emphasis on GMP compliance, quality assurance, and backward integration.	Reduces capital intensity for smaller manufacturers; enables scale-up of standardized Ayurveda and herbal nutraceutical production.
PM Formalisation of Micro Food Processing Enterprises (PMFME)	Credit-linked subsidies, skill development, and export facilitation support for micro food and nutraceutical enterprises.	Lowers entry barriers for organized manufacturing; strengthens documentation, certification, and export capability.
PM Jan Aushadhi Kendra Expansion	Expansion of Jan Aushadhi Kendras with inclusion of select wellness and nutraceutical products under the public distribution framework.	Strengthens B2G procurement channels; supports demand for cost-efficient, standardized nutraceutical products through institutional supply mechanisms.
Ayush Visa and AYUSH Quality Mark	Introduction of Ayush Visa for medical and wellness tourism and certification through the AYUSH Premium Mark framework.	Enhances global credibility of Indian Ayurveda and wellness products; supports export branding and integration with wellness tourism ecosystems.
Export Promotion and Trade Facilitation	Export incentives, AYUSHEXCIL facilitation, RoDTEP benefits, and international cooperation frameworks for wellness products.	Facilitates access to regulated global markets; supports regulatory harmonization and premium positioning of Indian nutraceutical and Ayurvedic products.
NRDC Technology Transfer Programmes	Technology transfer initiatives by the National Research Development Corporation for validated AYUSH and nutraceutical formulations and processes.	Improves access to proven technologies and formulations; supports R&D-led product development and commercialization for organized manufacturers.

Regulatory and Compliance Framework

Regulation	Regulatory Requirement	Industry Impact
FSSAI Nutraceutical Regulations	Central licensing, approved ingredient schedules, labeling norms, and substantiation of health claims; prohibition of disease-cure claims.	Establishes consumer safety and quality benchmarks; differentiates organized, compliant manufacturers from unregulated participants.
AYUSH Regulatory Standards	GMP compliance, formulation standards, stability testing, and documentation requirements under the Drugs and Cosmetics Act.	Improves product consistency and clinical credibility; enables participation in institutional procurement and export markets.
CDSO Oversight on Product Classification	Regulatory clarification of food–drug boundary and post-market surveillance for borderline products.	Reduces misclassification risk; strengthens regulatory certainty and integrity of health claims.
ICMR–NIN RDA Framework	Recommended Dietary Allowance norms governing nutrient limits for formulation and labeling of nutraceutical products.	Improves formulation discipline and safety compliance; facilitates standardization and smoother regulatory approvals.
Schedule M and WHO-GMP	Manufacturing hygiene, validation protocols, quality management systems, and third-party audits.	Raises entry barriers and favors scale-oriented manufacturers with compliant infrastructure; supports global regulatory acceptance.
Quality Council of India (QCI) Certifications	NABCB-accredited quality and GMP audits for food, nutraceutical, and AYUSH manufacturing facilities.	Enhances audit readiness and export acceptance; strengthens credibility in regulated domestic and international markets.
Digital Personal Data Protection Rules, 2025	Data governance and security requirements for digital sales platforms, teleconsultation, and consumer engagement systems.	Increases compliance requirements for D2C and digital distribution models; encourages secure IT and documentation frameworks.

Policy Implications for the Industry

The integration of AYUSH and wellness products into public healthcare systems supports stable, non-cyclical institutional demand for nutraceutical and Ayurvedic products. Policy emphasis on Good Manufacturing Practices, quality assurance, and documentation requirements is accelerating industry consolidation and formalization by favoring compliant and organized manufacturers. Government initiatives providing credit access, common manufacturing infrastructure, and technology transfer support are improving scalability and regulatory compliance capabilities of MSMEs. In parallel, regulatory harmonization, quality certification frameworks, and export facilitation measures are strengthening India's positioning in global nutraceutical and Ayurveda markets.

The coordinated policy framework encompassing healthcare integration, manufacturing incentives, regulatory standardization, MSME support, technology transfer, and export facilitation is strengthening the operating environment for the nutraceuticals and Ayurveda industries in India. The regulatory emphasis on quality compliance, evidence-based validation, and institutional procurement favors organized manufacturers and is expected to support sustained domestic and international demand while accelerating industry formalization and global competitiveness.

7. Technology and Digital Transformation in the Industry

Technological progress and digital innovation are reshaping the industrial landscape, driving modernization and improved performance across sectors. Advancements in digital systems, connectivity, and automation are fostering greater efficiency, adaptability, and integration. Collectively, these developments are enabling a more resilient, future-ready, and competitive industrial ecosystem.

7A. Nutraceuticals and Ayurveda Industry

Various Technological and Digital Transformation in the Nutraceuticals Industry are:

1. AI-Powered Formulation Development and Biomarker Screening

High-throughput AI models identify optimal ingredient combinations, evaluate synergistic effects, and optimize bioavailability pathways. Machine learning predicts efficacy across age, lifestyle, and health conditions, accelerating R&D timelines from concept to clinical validation. This drives faster product launches and supports premiumization based on scientifically optimized formulations.

2. Personalized Nutrition Algorithms and Subscription Platform

AI evaluates genetic, metabolic, lifestyle, and health data to deliver individualized supplement regimens. D2C platforms leverage predictive analytics for dynamic reordering, subscription management, and adherence tracking. Personalized protocols increase customer retention, build brand loyalty, and differentiate offerings in a competitive market.

3. Nano-Encapsulation and Precision Delivery Technologies

Nanotechnology enhances solubility and bioavailability of probiotics, liposomal vitamins, and herbal actives. Smart delivery systems release nutrients in response to physiological triggers, ensuring targeted efficacy and improved absorption. This innovation supports premium pricing, reduces dosage requirements, and enhances therapeutic outcomes relative to conventional delivery methods.

4. Blockchain and QR Traceability for Supply Chain Integrity

Blockchain enables full traceability from raw material sourcing to finished supplements, ensuring GMP compliance, counterfeit prevention, and regulatory adherence. QR-enabled packaging provides batch-level transparency and clinical validation data to consumers. This strengthens global market acceptance and protects brand reputation in domestic and export segments.

5. Automation and Predictive Manufacturing Systems

Industry 4.0 robotics, IoT-enabled sensors, and AI-driven predictive maintenance optimize production efficiency, reduce downtime, and ensure consistent quality. Real-time analytics monitor tablet compression, encapsulation, and packaging, guaranteeing compliance with

international standards. Automation enables scale-up for mass-market nutraceuticals while maintaining premium product quality.

7B. Ayurveda Industry

Various Technological and Digital Transformation in the Ayurveda Industry are:

1. AI-Driven Dosha Assessment and Personalized Treatment Plans

AI algorithms integrate patient history, pulse readings, diet, lifestyle, and genomic data to generate precise dosha profiles and bespoke Ayurvedic prescriptions. Teleconsultation platforms provide automated follow-ups, dosage tracking, and regimen reminders. This enables remote patient access, reduces dependency on urban clinics, and drives scale for digital wellness services. Personalized prescriptions also enhance patient adherence and support premiumization of therapy packages.

2. Ayushman Bharat Digital Mission (ABDM) Integration

Integration with ABDM provides electronic health records, interoperable data sharing, and telemedicine capabilities. Ayurvedic practitioners can track treatment outcomes, synchronize patient care with modern medical diagnostics, and participate in government-led preventive health initiatives. This ensures continuity of care, supports evidence-based adoption of Ayurveda, and enhances credibility with institutional buyers and insurers.

3. Automation in Herbal Extraction and GMP Manufacturing

Robotic extraction, tabletization, capsule filling, and precision dosing ensure standardized preparation of classical and proprietary formulations. Automated quality control systems monitor active ingredient concentrations, microbial limits, and batch uniformity. These technologies reduce human error, enhance GMP compliance, increase production scale, and improve export readiness by meeting WHO-GMP and AYUSH Premium Mark standards.

4. Clinical Validation Platforms and Research Digitization

Cloud-based and AI-powered research platforms facilitate literature mining, clinical trial design, biomarker identification, and real-time data analysis for rasayana and herbal formulations. Digital repositories catalog traditional texts, enabling integration of ancient knowledge with modern evidence-based research. These platforms accelerate product validation, support regulatory approvals, and enable premium pricing for scientifically validated therapies.

5. Blockchain Traceability for Herbal Supply Chains

Blockchain ensures end-to-end traceability from farm to finished product, tracking provenance, cultivation practices, and processing conditions. QR-enabled packaging allows consumers and regulators to verify authenticity, batch details, and compliance certifications. This reduces risks of adulteration and counterfeiting, supports export compliance, and strengthens consumer trust in Ayurvedic brands.

8. Competitive Landscape – Nutraceuticals & Ayurveda Industry

Entry barriers in the regulated nutraceuticals and Ayurvedic formulations segment are moderate to high. New entrants are required to invest in compliant manufacturing facilities, qualified technical and quality personnel, formulation development capabilities, and ongoing regulatory compliance under FSSAI, AYUSH, and allied frameworks. In addition, building acceptance among medical practitioners and institutional customers requires sustained engagement, product consistency, and demonstrated quality standards, which typically lengthen market entry timelines and limit rapid scale-up by new participants.

Key Factors Shaping Competition are:

1. Manufacturing Infrastructure and Supply Chain Capabilities

Robust GMP-compliant facilities and reliable herbal/botanical supply chains are critical for meeting demand surges in nutraceuticals and Ayurvedic formulations. Companies with automated extraction units, climate-controlled storage, and backward integration into cultivation ensure quality consistency and scalability, particularly for perishable actives and classical rasayana preparations. Strong infrastructure enables efficient order fulfillment, cost optimization, and faster time-to-market for high-demand products.

2. Regulatory Compliance and Quality Standardization

Compliance with FSSAI, AYUSH, GMP standards, and health claim substantiation creates significant entry barriers. Leading companies invest in clinical validation labs, dual FSSAI-AYUSH approvals, and WHO-GMP certifications for exports, enhancing premium positioning and consumer trust. Smaller players face challenges in keeping pace with evolving labeling requirements, adulteration control, and regulatory enforcement, influencing market share and long-term credibility.

3. Strategic Partnerships with Healthcare Brands and Retail Channels

Collaborations with hospitals, pharmacies, D2C platforms, and organized retail chains secure distribution and co-branded product development. These partnerships facilitate customized formulations—such as dosha-specific Ayurveda or biomarker-targeted nutraceuticals—and long-term supply contracts, improving both market reach and clinical validation credibility. Strong alliances also provide early insights into consumer trends and enable responsive product innovation.

4. Geographic Reach and Institutional Penetration

Nationwide presence through AYUSH centers, hospital chains, wellness tourism hubs, and tier-2/3 city penetration allows companies to capture both urban premium and rural mass markets. Institutional supply to government health programs and hospital networks enhances brand visibility, ensures stable demand, and supports scale economics. Firms

with extensive distribution networks achieve superior lead-time management and market coverage.

5. Digital Transformation and Technological Integration

AI-driven personalization (dosha assessment apps, genetic nutrition algorithms), blockchain traceability, telemedicine platforms, and automated manufacturing differentiate leading players. Digital D2C subscriptions, QR-based authenticity verification, and cloud-enabled inventory management enhance operational efficiency, strengthen direct consumer relationships, and ensure export compliance. Technology adoption drives both product credibility and scalable market expansion.

6. R&D Capabilities and Evidence-Based Innovation

Investment in bioavailability enhancement (nano-encapsulation, liposomal delivery), clinical trials, and proprietary formulations creates defensible competitive moats. Companies integrating traditional Ayurvedic knowledge with modern scientific validation lead in premiumization, while others remain commoditized in generic herbal or functional segments. Evidence-based innovation enhances efficacy claims, supports regulatory approvals, and builds long-term consumer trust.

Competitive Approaches Adopted by Leading Players in the Nutraceuticals and Ayurveda Industries:

1. Backward Integration into Raw Material Sourcing

Leading players establish contract farming, in-house cultivation centers, and proprietary herbal extract facilities to ensure consistent quality, mitigate adulteration risks, and reduce price volatility. Companies such as Himalaya, Dabur, and OZiva secure key botanicals like ashwagandha and turmeric through dedicated farms and GMP-certified processing units, strengthening supply chain reliability and product authenticity.

2. Clinical Validation and Science-Backed Branding

Market leaders invest in third-party clinical trials, bioavailability studies, and published research to substantiate health claims. Patanjali, Kapiva, and HealthKart position their products as clinically validated through collaborations with ICMR-approved labs, bridging traditional Ayurvedic formulations with modern scientific evidence while ensuring FSSAI compliance, enhancing consumer trust, and supporting premium pricing.

3. Digital-First D2C and Subscription Models

Companies leverage AI-driven personalization platforms, subscription boxes, and QR traceability to build direct consumer engagement. Platforms enable dosha assessments, genetic nutrition matching, and automated reordering, bypassing traditional retail margins. Kapiva Ayurveda, OZiva, and Wellbeing Nutrition exemplify this approach, strengthening brand loyalty and enhancing scalability in both urban and semi-urban markets.

4. Export-Led Growth with Global Certifications

Leading players actively pursue WHO-GMP, US FDA, and EU novel food approvals to access premium international markets. Himalaya Wellness and Organic India leverage Ayush Premium Mark certifications and standardized rasayana extracts to target wellness-conscious consumers abroad, driving long-term growth and global brand recognition.

5. Strategic Acquisitions and Portfolio Diversification

Major companies expand through targeted acquisitions and multi-category product portfolios to create cross-selling synergies and defensive market positioning. Examples include Himalaya entering nutraceutical segments, Dabur acquiring Aviva for women's health, and Zydus acquiring Farmmi for organic sourcing, enabling broader market coverage across supplements, functional beverages, and topicals while strengthening operational scale.

Key Barriers to Entry in the Nutraceuticals and Ayurveda Industries:

1. High Capital Intensity and Technological Investment

Setting up manufacturing facilities for nutraceuticals and Ayurvedic formulations requires significant investment in GMP-compliant plants, automated extraction units, encapsulation/tabletization lines, and quality control laboratories. Advanced technology for clinical validation, bioavailability enhancement, and digital traceability further raises initial entry costs, creating a substantial barrier for new players compared to established firms operating at scale.

2. Raw Material Dependence and Price Volatility

Both industries rely heavily on botanical, herbal, and specialty ingredients, with limited domestic availability and dependence on imports for key actives. Price fluctuations, seasonal variability, and quality inconsistency introduce margin pressures, while incumbents mitigate risk through backward integration, contract farming, and long-term supply agreements, reinforcing the entry barrier for newcomers.

3. Regulatory Compliance, Standardization, and Brand Trust

Stringent FSSAI and AYUSH regulations, GMP mandates, health claim substantiation, and export certifications (WHO-GMP, US FDA, EU Novel Food) impose significant compliance requirements. New entrants face high costs to achieve regulatory approvals, clinical validation, and dual AYUSH-FSSAI compliance, while established brands benefit from consumer trust, practitioner credibility, and long-term institutional partnerships.

4. Economies of Scale and Distribution Network Advantages

Incumbent players leverage integrated manufacturing, high-volume production, and nationwide distribution channels—including D2C platforms, hospitals, retail chains, and wellness centers—to achieve cost competitiveness and consistent product availability. Smaller or new entrants with limited capacity struggle to match pricing, absorb raw material volatility, or establish wide-reaching supply networks.

5. Innovation Pressure and Sustainability Compliance

Rapid technological evolution toward evidence-based formulations, digital personalization, eco-friendly packaging, and EPR-compliant production demands continuous R&D investment. New entrants must adopt advanced extraction technologies, smart delivery systems, and sustainable sourcing practices to remain competitive. Delayed innovation or non-compliance risks obsolescence, reputational damage, and exclusion from institutional or export markets.

Key trends driving consolidation across Nutraceutical and Ayurvedic Industry Sector:

1. Mergers, Acquisitions, and Strategic Alliances

Leading companies pursue mergers and acquisitions to expand portfolios across dietary supplements, herbal formulations, and classical rasayana products, achieving economies of scale in GMP manufacturing and distribution. Strategic partnerships with global wellness brands accelerate international market entry, while domestic consolidations strengthen supply chain control, brand equity, and market share.

2. Backward and Forward Value Chain Integration

Firms are increasingly integrating operations from herbal cultivation and extraction to D2C delivery and institutional supply. Backward integration through contract farming secures quality botanicals and mitigates raw material volatility, while forward integration into digital platforms, retail networks, and healthcare institutions ensures end-to-end efficiency, traceability, and regulatory compliance.

3. Private Equity and Institutional Investment Surge

The sector is witnessing growing interest from private equity, venture capital, and strategic investors targeting companies with automated production facilities, clinical validation capabilities, and sustainable sourcing. Capital inflows support R&D in bioavailability enhancement, premium product development, capacity expansion, and export readiness, thereby favouring well-capitalized consolidators over fragmented, unorganized players.

4. Technological Upgradation and Digital Transformation

Adoption of AI-driven personalization, blockchain-based supply chain traceability, and nano-encapsulation delivery systems creates technological moats for industry leaders. Digital D2C platforms, telemedicine integration, and automated GMP-compliant manufacturing lines enable scalability, direct consumer engagement, and premium positioning, reinforcing competitive advantage and making tech-forward brands attractive for strategic acquisition.

5. Regulatory Compliance and Sustainability Focus

Compliance with FSSAI/AYUSH standards, WHO-GMP certifications, and EPR mandates is a key consolidation driver. Investments in organic sourcing, recyclable packaging, and green manufacturing processes strengthen market credibility and operational resilience, allowing compliant players to consolidate market share while marginalizing non-standardized competitors.

9A Financial Performance Analysis- Himalaya Nutravedics India Limited

The financial performance analysis of Himalaya Nutravedics India Limited is based on the audited standalone financial statements for FY 2023, FY 2024, and FY 2025. This assessment provides an overview of the Company's operational scale, profitability, liquidity position, and capital structure over the review period.

Figures are in INR lakhs (Except for ratios and percentages)

Key Indicators	Himalaya Nutravedics India Limited		
	FY 2023	FY 2024	FY2025
Total Operating Income	204.60	1442.56	2099.65
Total Income	204.78	1442.88	2099.69
EBITDA	23.39	93.54	299.02
EBITDA Margin (%)	11.43	6.48	14.24
PAT	9.94	42.60	223.18
PAT Margin (%)	4.85	2.95	10.63
Current Ratio (Times)	1.16	1.12	2.67
Tangible Net worth	82.79	126.64	667.64
Total Debt	132.16	323.51	175.95
Debt Equity Ratio (Times)	1.60	2.55	0.26
ROE (%)	10.70	37.29	55.02
ROCE (%)	15.61	22.47	21.43
Return on Net worth (%)	24.00	40.68	26.27

Source: Audited Financials as provided by the company

Formula Used:

- EBITDA: Total Operating Income - Operating Expenses (excluding Depreciation & Amortisation, Interest, and Taxes)
- EBITDA Margin: (EBITDA/Total Operating Income) *100
- PAT Margin: (Profit after Tax/Total Income) *100
- Current Ratio: Current Assets /Current Liabilities
- Tangible Net Worth: Share Capital + Reserve & Surplus – Intangible Assets -Deferred Tax Assets – Misc Expenditure not written off – Revaluation Reserves
- Return on Net Worth (RONW): (Profit After Tax /Average Tangible Net Worth) *100
- Total Capital Employed: Fixed Assets + Intangible Assets +Net Working Capital
- Return on Capital Employed (ROCE): (Earnings before Interest & Taxes/Average Capital Employed) *100

The financial performance of Himalaya Nutravedics India Limited over FY 2023 to FY 2025 indicates a sharp scale-up in operations, accompanied by improvement in profitability and a strengthening of the capital structure.

Total Operating Income increased from ₹204.60 lakh in FY 2023 to ₹1,442.56 lakh in FY 2024 and further to ₹2,099.65 lakh in FY 2025. Total Income followed a similar trajectory, reaching ₹2,099.69 lakh in FY 2025, reflecting sustained growth in business operations.

EBITDA increased from ₹23.39 lakh in FY 2023 to ₹93.54 lakh in FY 2024 and further to ₹299.02 lakh in FY 2025. EBITDA margin declined from 11.43% in FY 2023 to 6.48% in FY 2024, indicating cost pressures during the expansion phase, and subsequently improved to 14.24% in FY 2025, reflecting operating leverage and improved cost efficiency.

Profit After Tax increased from ₹9.94 lakh in FY 2023 to ₹42.60 lakh in FY 2024 and further to ₹223.18 lakh in FY 2025. PAT margin declined from 4.85% in FY 2023 to 2.95% in FY 2024 and improved to 10.63% in FY 2025.

Tangible Net Worth increased from ₹82.79 lakh in FY 2023 to ₹126.64 lakh in FY 2024 and further to ₹667.64 lakh in FY 2025, reflecting capital accretion. Total Debt increased to ₹323.51 lakh in FY 2024 before declining to ₹175.95 lakh in FY 2025. Consequently, the Debt-Equity Ratio increased from 1.60 times in FY 2023 to 2.55 times in FY 2024 and reduced significantly to 0.26 times in FY 2025.

The Current Ratio moderated from 1.16 times in FY 2023 to 1.12 times in FY 2024 and improved to 2.67 times in FY 2025, reflecting strengthening liquidity and working capital position.

Return ratios indicate improved profitability, with ROE increasing from 10.70% in FY 2023 to 37.29% in FY 2024 and further to 55.02% in FY 2025. ROCE improved from 15.61% in FY 2023 to 22.47% in FY 2024 and moderated to 21.43% in FY 2025, indicating stable capital efficiency. Return on Net Worth increased from 24.00% in FY 2023 to 40.68% in FY 2024 and moderated to 26.27% in FY 2025.

The financial performance over FY 2023–FY 2025 reflects significant growth in scale, temporary margin compression during expansion, subsequent improvement in profitability, and strengthening of the balance sheet through reduction in leverage and improved liquidity position.

10. Peer Benchmarking

Himalaya Nutravedics India Limited

The nutraceuticals and Ayurvedic products industry comprises players operating under diverse business models, including mass-market OTC wellness brands, digital-first direct-to-consumer players, and prescription-adjacent, practitioner-led formulation companies. Peer benchmarking in this report has been undertaken to provide industry context across these models. However, differences in regulatory intensity, go-to-market strategy, customer base, and product positioning should be considered while interpreting such comparisons.

For the peer comparison of Himalaya Nutravedics India Limited, the following companies have been selected: Jeena Sikho Lifecare Limited and Sandu Pharmaceuticals Limited. These peers were chosen based on the similarity of their product portfolios, their established market presence, and comparable operational scale within the nutraceuticals and Ayurveda-related manufacturing segment.

- **Jeena Sikho Lifecare Limited**

Jeena Sikho Lifecare Limited, incorporated in 2017, operates in the Ayurvedic healthcare segment with a focus on herbal formulations and wellness-oriented products. The company is engaged in the manufacture and marketing of Ayurvedic medicines, nutraceutical supplements, and wellness products under its proprietary brand. Its operations are supported by regulated manufacturing practices and a growing emphasis on direct-to-consumer and digital distribution channels, primarily catering to the domestic market.

- **Sandu Pharmaceuticals Limited**

Sandu Pharmaceuticals Limited is an India-based Ayurvedic pharmaceutical company engaged in the manufacture and marketing of classical and proprietary Ayurvedic formulations. The company's product portfolio comprises oils, syrups, powders, tablets, and other traditional dosage forms addressing therapeutic areas such as respiratory health, digestive disorders, liver care, and lifestyle-related conditions. Sandu Pharmaceuticals operates manufacturing facilities compliant with applicable Ayurvedic GMP requirements and distributes its products through a network of pharmacies, distributors, and Ayurvedic practitioners across India. The company emphasizes adherence to classical Ayurvedic principles supported by standardized manufacturing practices to ensure product quality and consistency.

Peer Benchmarking – Financial performance analysis

The following table presents a comparative overview of key financial indicators of Himalaya Nutravedics India Limited, Jeena Sikho Lifecare Limited, and Sandu Pharmaceuticals Limited for FY 2023 to FY 2025, enabling an assessment of relative scale, profitability, liquidity, leverage, and return metrics.

Figures are in INR lakhs (Except for Ratios and percentages).

Key Indicators (in INR Lakhs)	Himalaya Nutravedics India Limited			Jeena Sikho Lifecare Limited			Sandu Pharmaceuticals Limited		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total Operating Income	204.60	1442.56	2099.65	20389.63	32440.89	46907.19	6534.90	6728.07	6719.24
Total Income	204.78	1442.88	2099.69	20617.88	33084.87	47548.08	6567.62	6770.43	6735.99
EBITDA	23.39	93.54	299.02	4607.73	9298.77	12487.22	248.59	229.57	276.49
EBITDA Margin (%)	11.43	6.48	14.24	22.60	28.66	26.62	3.80	3.41	4.11
PAT	9.94	42.60	223.18	3374.44	6920.63	9072.89	152.05	146.12	155.17
PAT Margin (%)	4.85	2.95	10.63	16.37	20.92	19.08	2.32	2.16	2.30
Current Ratio (Times)	1.16	1.12	2.67	3.15	5.27	2.91	1.84	2.10	2.18
Tangible Net worth	82.79	126.64	667.64	12530.99	19178.98	21045.77	3919.06	4055.77	4199.33
Total Debt	132.16	323.51	175.95	80.80	53.95	1073.32	9.26	21.04	72.75
Debt Equity Ratio (Times)	1.60	2.55	0.26	0.01	0.00	0.05	0.00	0.01	0.02
ROE (%)	10.70	37.29	55.02	26.82	43.52	39.00	5.14	4.83	4.90
ROCE (%)	15.61	22.47	21.43	68.03	55.00	81.14	9.75	4.16	4.88
Return on Net worth (%)	24.00	40.68	26.27	53.86	43.65	45.11	7.76	3.66	3.76

Source: Company filings and publicly available financial data

Himalaya Nutravedics India Limited operates at a relatively smaller scale compared to its peers. In FY 2025, the Company reported Total Operating Income of ₹2,099.65 lakh, as against ₹46,907.19 lakh for Jeena Sikho Lifecare Limited and ₹6,719.24 lakh for Sandu Pharmaceuticals Limited, indicating a comparatively early-stage scale of operations.

In terms of profitability, Himalaya Nutravedics reported an EBITDA margin of 14.24% and a PAT margin of 10.63% in FY 2025. These margins are higher than Sandu Pharmaceuticals Limited (4.11% EBITDA margin and 2.30% PAT margin) but remain lower than Jeena Sikho Lifecare Limited (26.62% EBITDA margin and 19.08% PAT margin). Absolute profitability improved significantly, with PAT increasing from ₹9.94 lakh in FY 2023 to ₹223.18 lakh in FY 2025.

Liquidity indicators remained within a comparable range. The Current Ratio of Himalaya Nutravedics stood at 2.67 times in FY 2025, compared to 2.91 times for Jeena Sikho Lifecare Limited and 2.18 times for Sandu Pharmaceuticals Limited, indicating adequate short-term solvency.

The Company's Tangible Net Worth increased to ₹667.64 lakh in FY 2025, which remains lower than Jeena Sikho Lifecare Limited (₹21,045.77 lakh) and Sandu Pharmaceuticals Limited (₹4,199.33 lakh), reflecting a comparatively smaller capital base.

From a leverage perspective, Himalaya Nutravedics reported Total Debt of ₹175.95 lakh and a Debt-Equity Ratio of 0.26 times in FY 2025. While leverage is higher than Jeena Sikho Lifecare Limited (0.05 times) and Sandu Pharmaceuticals Limited (0.02 times), it reflects a significant reduction from FY 2024, indicating improvement in capital structure.

Return metrics indicate a mixed performance across peers. Himalaya Nutravedics reported ROE of 55.02% and ROCE of 21.43% in FY 2025. ROE is higher than Jeena Sikho Lifecare Limited (39.00%) and Sandu Pharmaceuticals Limited (4.90%), while ROCE remains lower than Jeena Sikho Lifecare Limited (81.14%) but higher than Sandu Pharmaceuticals Limited (4.88%). Return on Net Worth stood at 26.27% in FY 2025, compared to 45.11% for Jeena Sikho Lifecare Limited and 3.76% for Sandu Pharmaceuticals Limited.

Himalaya Nutravedics India Limited operates at a smaller scale with improving profitability and moderated leverage. Jeena Sikho Lifecare Limited demonstrates scale advantages, stronger margins, and higher capital efficiency, while Sandu Pharmaceuticals Limited reflects relatively stable operations with lower margin and return profiles. The Company's current positioning indicates a growth phase, with potential for scale-driven margin expansion and improved capital efficiency.

11. Company's Positioning & SWOT Analysis

Himalaya Nutravedics India Limited ("Himalaya Nutravedics" or "the Company"), incorporated on 16 June 2022 and headquartered at Plot No. 101A, Phase-III, IDA, Cherlapally, Hyderabad, Telangana – 500051, is engaged in the formulation and manufacture of Ayurvedic and nutraceutical products. The Company's product portfolio is focused on condition-oriented formulations across fertility, maternal health, bone and joint care, metabolic disorders, urology, paediatrics, neurocognitive health and general wellness. The Company's products are positioned for prescription-adjacent usage and are primarily marketed to medical practitioners across specialties such as gynaecology, orthopaedics, nephrology, paediatrics, diabetology and general medicine through a doctor-led and pharmacy-based distribution network. The Company's distribution footprint spans 16 states as of FY25-26, with expansion into additional states underway.

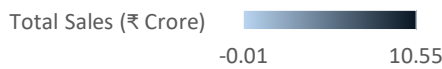
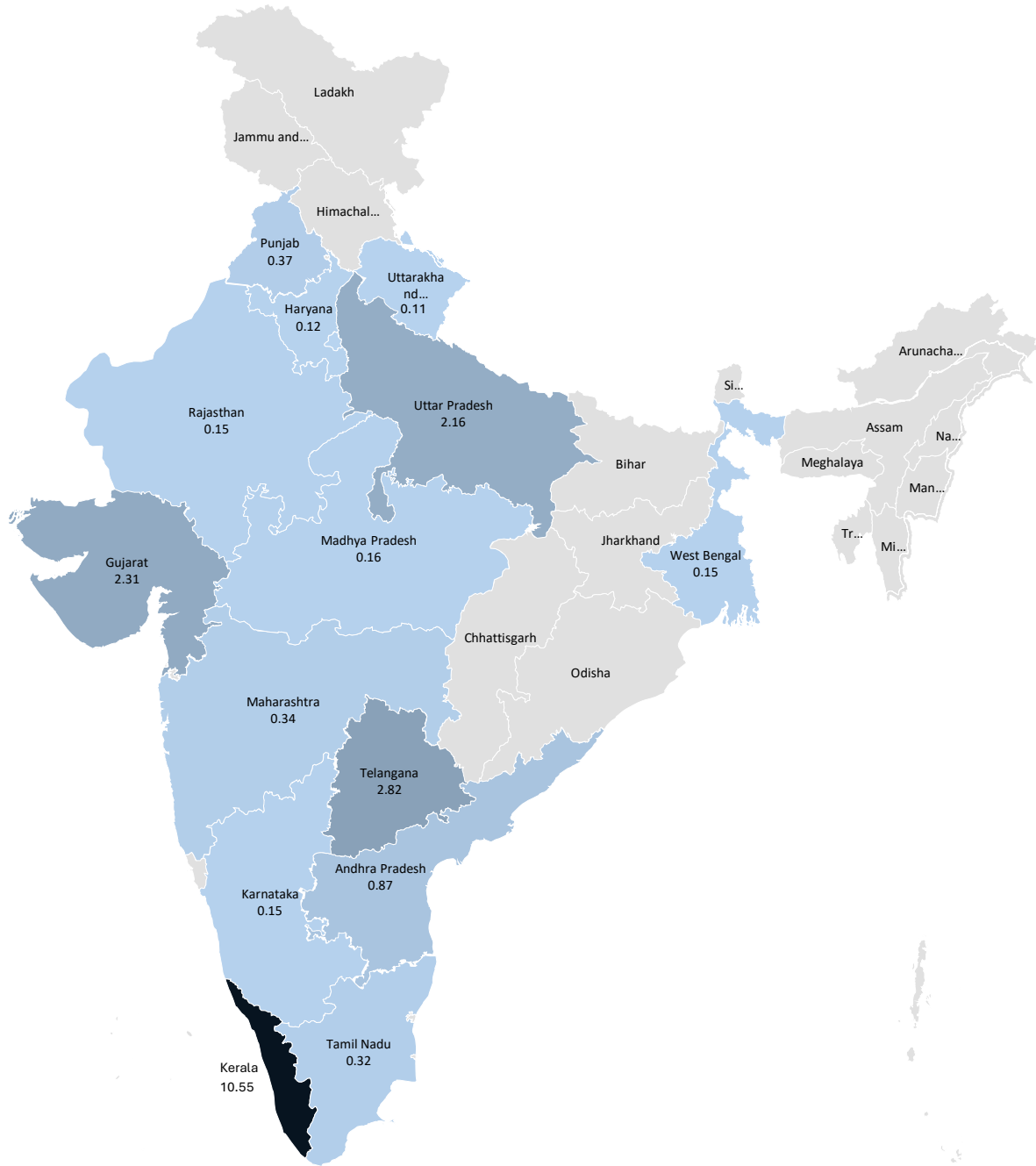
The Company operates a WHO-cGMP and Schedule M compliant manufacturing facility certified under ISO 9001:2015, ISO 22000:2018, FSSAI, AYUSH (License T-2129Ayur approving 107 Shastric/Anubhuta formulations), Halal and Kosher standards, and is subject to periodic audits by certification bodies and institutional clients (specific audit counts for FY23-FY25 unavailable). The facility supports pharmaceutical-grade manufacturing across multiple dosage forms, including softgel (300,000 units/8-hr shift, ~70% utilisation), tablet (200,000 units/8-hr shift, ~40% utilisation), hard-gelatin capsule (200,000 units/8-hr shift, ~25% utilisation), syrup and powder lines. The manufacturing infrastructure is scalable through modular equipment deployment with limited additional capital expenditure.

As of March FY25, the Company has developed 59 product SKUs comprising 32 classical Ayurvedic formulations, 12 proprietary formulations and 15 nutraceutical products (AYUSH Product Retention Certificate T-2129Ayur listing 107 approved formulations). The pipeline includes approximately 15 additional classical Ayurvedic formulations under development during H1 FY26. The Company integrates classical Ayurvedic ingredients with nutraceutical actives such as botanical extracts, vitamins, minerals, fatty acids, probiotics and specialty compounds for clinical indications including infertility, recurrent urinary tract conditions, osteoporosis, osteoarthritis, anaemia, developmental and cognitive support, and cardiometabolic health.

The Company follows a dual revenue model comprising own-branded products and contract manufacturing for third-party clients, having formulated approximately 30 unique formulations for multiple pharmaceutical and Ayurveda-focused companies since incorporation.

The Company’s geographic presence in FY25-26 includes sales across 16 states totalling ₹20.57 crore (own sales: ₹10.45 crore; third-party: ₹10.12 crore), with Kerala (₹10.55 crore), Telangana (₹2.82 crore), Gujarat (₹2.31 crore), Uttar Pradesh (₹2.16 crore) and Andhra Pradesh (₹0.87 crore) as key contributors.

Geographical Revenue Distribution (FY 2025-26)



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The Company is one of the fastest-growing entrants in the Indian Ayurvedic and nutraceutical manufacturing segment, reporting strong revenue growth from FY2023 to FY2025 (from ₹204.6 crore to ₹2,017.9 crore), reflecting rapid scale-up since incorporation. The Company is developing sugar-free Ayurvedic syrups for cough, gas, liver and kidney support, alongside infertility-related products targeting urinary tract infections and PCOD. Export expansion is underway with active stakeholder discussions.

The Company's operational team expanded from 18 employees to 75 employees as of January 2026. The Company's manufacturing footprint, formulation capability, compliance focus and diversified revenue streams position it as an emerging player in the organised Ayurvedic and nutraceutical manufacturing segment. The Company's manufacturing scale, formulation capability and R&D competency, combined with its ability to reliably supply large quantities, are key growth enablers. Based on internal operating metrics and growth trajectory, the Company has established a strong growth profile in terms of revenue, production scale and client base since inception.

SWOT Analysis

Strengths (Internal / Competitive Advantages)	Weaknesses (Internal / Limitations)
<ul style="list-style-type: none"> • Integrated Ayurvedic–Nutraceutical Positioning – Operates across classical AYUSH and modern nutraceuticals, enabling participation in prescription-adjacent therapies and preventive health segments. • Regulatory-Compliant Manufacturing Infrastructure – WHO-cGMP, ISO 9001:2015, and Schedule M-compliant facility at IDA Cherlapally ensures pharmaceutical-grade production and quality consistency. • Broad, Condition-Focused Product Portfolio – Covers fertility, maternal health, bone & joint care, nephrology/urology, anemia, metabolic disorders, pediatrics, cognitive health, and general wellness, enabling cross-prescription opportunities. • Clinical Formulation Design – Combines Ayurvedic botanicals (Cissus quadrangularis, Boswellia, Curcumin) with evidence-backed nutraceuticals (CoQ10, DHA, omega-3, probiotics, vitamins, collagen) to enhance differentiation. • Pan-India Brand Presence – Products distributed in many states provide early brand visibility across regional prescription markets. • Dual Revenue Model: Branded Products & Contract Manufacturing – Own-brand and third-party manufacturing diversifies revenue streams and improves capacity utilization. 	<ul style="list-style-type: none"> • Limited Operating Vintage and Brand Legacy – Incorporated in 2022, shorter operating history compared to established peers may constrain institutional tie-ups and prescriber loyalty. • Single-Site Manufacturing Dependence – Concentration in one facility could impact supply continuity in case of operational or regulatory disruptions. • Prescription-Centric Go-to-Market – Primary reliance on doctor-led and pharmacy-based channels limits direct-to-consumer reach and e-commerce penetration. • Regulatory and Compliance Complexity – Operating in AYUSH and nutraceutical segments requires continuous adherence to evolving FSSAI, AYUSH, and advertising regulations.

Opportunities (External / Market Realities)	Threats (External / Sector Challenges)
<ul style="list-style-type: none"> • Rising Demand for Preventive & Integrative Healthcare – Increased focus on chronic disease management and wellness supports condition-specific nutraceutical and Ayurvedic therapies. • Expansion into Untapped Domestic Markets – Potential to deepen penetration in Tier-2/3 towns and remaining Indian states through additional medical reps, channel partners, and hospital engagement. • Institutional and Corporate Health Segments – WHO-GMP and ISO-certified status supports entry into hospitals, fertility centers, orthopedic chains, and wellness programs requiring documentation and quality assurance. • Export and OEM Supply Potential – Manufacturing compliance allows supply to semi-regulated and regulated export markets, subject to approvals. • Product Line Extensions & New Indications – Existing platforms (CoQ10, omega-3, collagen, probiotics, Ayurvedic ghritas) provide scope for extension into sugar-free, geriatric, pediatric, sports nutrition, and metabolic segments. In addition, the Company has an ongoing product-development pipeline with new SKUs under evaluation across fertility, bone & joint, nephrology, metabolic health, and paediatrics, subject to internal approvals and regulatory clearances. • Digital & Omni-Channel Brand Building – Scope for e-commerce, tele-consultation tie-ups, and patient-education campaigns to strengthen brand recall and adherence in chronic therapy segments. 	<ul style="list-style-type: none"> • Intense Competition – Large established Ayurvedic companies, FMCG-backed nutraceutical brands, and regional players can impact pricing, prescriber share, and shelf space. • Regulatory Tightening – Stricter norms on health claims, labeling, and evidence requirements could increase compliance costs and delay product launches. • Raw Material & Supply-Chain Volatility – Dependence on botanical extracts and imported nutraceutical actives exposes the Company to price and availability risks. • Changing Prescriber & Consumer Preferences – Shift toward single-ingredient, “clean-label” products or competing therapeutic options may reduce demand for complex combination formulations.

12 Future Outlook

India's nutraceuticals and Ayurveda industries are expected to experience sustained growth, supported by rising health awareness, increasing adoption of preventive healthcare, and India's established position in plant-based wellness. The Indian nutraceuticals market, valued at USD 30.4 billion in 2024, is projected to grow at a CAGR of 13.6–15.9% through 2030, reaching USD 74.66 billion, driven by functional foods, probiotics, herbal extracts, and personalized nutrition amid urbanization and increasing e-commerce penetration. Alongside consumer-led demand, practitioner-driven adoption through allopathic, AYUSH, and institutional healthcare channels is expected to contribute to stable, recurring demand for condition-specific and prescription-adjacent formulations.

The Ayurveda sector, valued at over USD 50 billion in 2024, with the Ayurvedic products segment growing from USD 7.84 billion in 2022 to USD 21.19 billion by 2028 at a CAGR of 19.3%, is projected to reach USD 200 billion by 2030 at approximately 17% CAGR. Growth is supported by rising domestic demand, FY25 exports of USD 689 million (+5.9%), and expansion in wellness tourism from USD 19.43 billion in 2024 to USD 29.88 billion by 2031. Institutional adoption through government healthcare facilities, AYUSH centres, and integrative medicine practices is expected to support demand continuity beyond discretionary consumer spending cycles.

Technology-led developments are expected to support growth across both sectors. Nutraceutical manufacturers are increasingly adopting digital formulation tools, supply-chain traceability solutions, and precision processing technologies, while Ayurveda manufacturing is focusing on standardized herb sourcing, GMP-compliant facilities, and enhanced quality monitoring to ensure consistency, safety, and scalability. These advancements also support practitioner confidence, clinical consistency, and institutional procurement requirements.

AI-enabled personalized nutrition platforms, tele-consultation integration with e-pharmacies, and the growing use of wearables and health-tracking devices are driving adoption of supplements targeted at sleep, stress management, and metabolic health. These technologies facilitate personalized recommendations, health-parameter monitoring, and subscription-based replenishment models, supporting both consumer engagement and practitioner-guided therapy adherence across urban and semi-urban markets.

Sustainability and regulatory compliance remain central to long-term industry development. Nutraceutical companies are increasingly aligning with organic, non-GMO, and clean-label requirements, along with recyclable and compliant packaging in line with FSSAI norms. Ayurveda manufacturers are formalizing raw-material sourcing through Good Agricultural

Practices, standardized cultivation, and structured quality protocols to meet domestic and global regulatory expectations required for practitioner-led prescribing and export markets.

Responsible sourcing of herbs through contract farming, farmer linkages, and biodiversity-conscious cultivation practices supports supply-chain resilience while mitigating environmental impact. Manufacturers are adopting waste-reduction and zero-waste initiatives at production facilities and implementing Extended Producer Responsibility (EPR) frameworks for packaging waste management. Responsible communication practices, aligned with FSSAI and ASCI guidelines, emphasize evidence-based claims and transparent labelling, supporting practitioner confidence, consumer trust, and regulatory compliance.

Policy support is expected to further reinforce industry growth. The Ministry of AYUSH budget for FY26 increased to ₹3,992.9 crore (+14.2%), complemented by initiatives including WHO ICHI modules, AB-PMJAY integration, Production-Linked Incentives, and PMKSY/PMFME schemes. These measures support R&D, MSME formalization, employment generation, practitioner integration into public healthcare, and deeper penetration into tier-2 and tier-3 markets.

While challenges such as raw-material price volatility, regulatory compliance requirements, and quality-assurance costs persist, favourable demographics, expanding digital distribution channels, growing practitioner adoption, increasing global demand, and India's cost-competitive manufacturing base are expected to underpin long-term growth. Over the coming decade, the nutraceuticals and Ayurveda industries are positioned to expand both domestically and internationally, supported by a balanced mix of consumer-led demand, practitioner-driven prescriptions, structured market development, and sustained policy support.

Yours Faithfully,



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